Financial statements
UKLS Acquisitions Limited

For the Year Ended 31 March 2016

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Company No. 09117397

Company information

Company registration number	09117397
Registered office	Grant Hall Parsons Green St Ives Cambridgeshire PE27 4AA
Directors	D A Knottenbelt G M Pritchard N A Berry
Secretary	N A Berry
Bankers	HSBC Plc Market Hill St Ives Cambridgeshire PE27 5AP
Statutory auditor	PricewaterhouseCoopers LLP Cornwall Court 19, Cornwall Street Birmingham B3 2DT

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Strategic report

The Directors present their strategic report of the Company and its subsidiaries ("the Group") for the year ended 31 March 2016.

Principal activity
The Group's principal activity is the provision of legal and property services to corporate clients as well as direct to individual consumers. The services include residential property conveyancing, probate and deceased estate administration and the bulk sale and management of residential properties. The Group has developed proprietary software which gives it a competitive advantage in the market and has a strong, customer focused corporate culture driven by the principles of 'treating the customer fairly'.

Business review
During the period under review, the business demonstrated resilience against a backdrop of a declining UK housing market and of a change of strategic direction by one of its larger clients in the probate business. A strong customer service ethos meant the Group was able to grow market share and its client base and the business expects further growth in the coming year.

On 27 November 2015, the Company acquired a UK probate service business, including the transfer of 63 employees and a number of wills, from HSBC Trust Company (UK) Limited ('HTCU'), a wholly-owned subsidiary of HSBC Bank plc.

Financial performance
Turnover for the Group was £56.9 million (38 week period ended 31 March 2015: £34.5 million) of which £36.7 million (38 week period ended 31 March 2015: £22.3 million), or 64% (38 week period ended 31 March 2015: 65%), related to Legal Services and £20.2 million (38 week period ended 31 March 2015: £12.1 million), or 36% (38 week period ended 31 March 2015: 35%), to Property Services. Legal Services includes conveyancing, probate and deceased estate administration and the Move with Us network of estate agents (which supply residential conveyancing leads to the Group). Property Services includes the bulk sale and management of residential property on behalf of new homes developers, mortgage book owners and executors and administrators of deceased estates.

Administrative expenses of £18.4 million (38 week period ended 31 March 2015: £12.8 million) include £3.3 million of exceptional costs (38 week period ended 31 March 2015: £3.5 million) and £4.6 million of amortisation and depreciation (38 week period ended 31 March 2015: £2.7 million), of which £3.6 million relates to amortisation of intangible assets recognised upon acquiring Washbrook Capital Limited (38 week period ended 31 March 2015: £2.1 million).

Group adjusted EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) for the period was £5.8 million (38 week period ended 31 March 2015: £3.3 million) and is stated before exceptional items. The operating loss for the period including exceptional items was £2.1 million (38 week period ended 31 March 2015: £2.9 million).

The net cash balance at 31 March 2016 was £6.0 million (2015: £4.6 million). Loans and borrowings comprised a loan from the parent company of £44.5 million (2015: £38.4 million) and bank loans with a carrying amount of £23.0 million (2015: £23.8 million).

Exceptional items
The Group recognised a cost of £3.3 million (2015: £3.5 million) arising from exceptional items. Included within this cost is an impairment charge of £3.6 million on intangible assets (2015: £nil) and exceptional operating costs of £0.6 million (2015: £3.5 million), partially offset by a credit of £1.0 million from the release of contingent consideration. Refer note 7 of the financial statements for a further description of these items.

Discontinued operations
Discontinued operations comprise the results of group subsidiary Secure Home Purchase Limited, which entered voluntary liquidation during the year and which management considers to be closed. The loss from discontinued operations was £0.3 million and related to the write-off of inter-company balances (38 week period ended 31 March 2015: £0.7 million). The results for the 38 week period ended 31 March 2015 have been restated to distinguish between continuing and discontinued operations. Refer to note 25 of the financial statements for a further description of discontinued operations.

Strategic report (continued)

Group performance
The Board and management use the following Key Performance Indicators (KPIs) to monitor the success of the business:

	Unit		Year ended 31 March 2016	Period ended 31 March 2016
Financial KPIs				
Revenue for the year/period	**millions**		£56.9	£34.5
Gross margin	**per cent**		28.5%	28.7%
Adjusted EBITDA	**millions**		£5.8	£3.3
Operating profit (before exceptional costs)	**millions**		£1.1	£0.5
Operating margin (before exceptional costs)	**per cent**		1.9%	1.5%

The comparatives are presented for the 38 week period ended 31 March 2015, following the incorporation of the Company on 4 July 2014. Management are satisfied with the performance in 2016 and expect further growth in 2017.

Segment performance
As referred to above, the Group is organised into two main business units:

- Property Services – outsourced residential sales and ancillary services on behalf of developers, lenders, and executors and administrators of deceased estates
- Legal Services – provision of legal services, primarily conveyancing, via a panel of third party firms and the group's own in-house conveyancer DC Law, and operation of an estate agency network.

Strategy
The Company intends to build a substantial legal services business through organic growth, the acquisition of other relevant businesses and the development and application of technology. It believes that by offering high levels of customer service, supported by user-friendly technology into what has traditionally been a market with poor levels of customer service and traditional practices it can win increased market share and deliver growth to its investors.

Risks and uncertainties
The list below sets out the most significant risks to the achievement of the Group's business goals. The list does not include all risks that the Group faces and it does not list the risks in any order of priority.

Economic environment
There are increased levels of economic uncertainty in both the property market, a key market for the Group, and the wider economy following the UK's decision, made in June 2016, to leave the European Union. It is still too early to determine the full impact 'Brexit' may have on the group, however, management are confident there is sufficient resilience within the Group's business model to allow it to continue to trade profitably through any economic downturn.

Credit risk
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 Directors on a regular basis in conjunction with debt ageing and collection history. Credit risk is also mitigated through the distribution of customers within various market sectors.

Regulation
The Group's activities are subject to certain regulation.

The licensed conveyancing activities of the Group are regulated by the Council of Licensed Conveyancers (CLC). The Group is subject to periodic inspections by the CLC and a professional services firm report to the CLC on a stipulated set of criteria on an annual basis. The Group ensures it has policies and procedures in place to ensure compliance with all CLC regulations.

The Group's estate agency activities are subject to the requirements of the Estate Agents Act 1979 and the National Association of Estate Agents (NAEA) Rules of Conduct. Deposits received through the Group's property management activities are logged with the Tenancy Deposit Scheme. This legal and governance framework, together with the Group's membership of The Property Ombudsman (TPO) scheme, ensure that the Group follows best practice with regard to matters such as the mis-description of property and the holding of client monies. The Group also encourages partners within its estate agent network to be members of the NAEA and TPO scheme.

Strategic report (continued)

Regulation (continued)
As well as market-specific regulation, the Group is governed by strict health and safety and data protection legislation. The Board takes its responsibilities very seriously and recognises that any breach of regulation could cause reputational and financial damage to the Group and has policies and procedures in place to manage these risks.

Employee engagement and retention
The continued success of the Group relies heavily on its investment in the training and development of its employees. The Group's employment policies and remuneration and benefit packages are designed to be competitive, as well as providing employees with fulfilling career opportunities. The Group continually engages with employees across the business and operates staff forums to ensure that it communicates with staff at every level in the organisation.

Information technology (IT)
Service to our customers is heavily dependent upon the IT systems which support the business. The Group is exposed to the risk of failure in the IT systems upon which it relies. The Group has appropriate controls in place to mitigate the risk of such failure, including systems back-up procedures and disaster recovery plans as well as appropriate virus protection and network security controls.

Corporate Social Responsibility
The Board has overall responsibility for establishing the Group's Corporate Social Responsibility (CSR) policy. The Group recognises that its business operations and conduct have an impact on the environment, community and its employees. It therefore takes its corporate social responsibility very seriously. It is committed to ensuring ethical behaviour, high regard for health and safety, care for the environment and ethical sourcing and aims to integrate socially responsible behaviour into its core values and all its activities.

Community
The Group continues to encourage all its employees to devote time and fundraising efforts to charitable causes of particular importance to them as individuals. In the period its employees continued to engage with and support their local communities through charitable activities and contributions.

Environment
The Group recognises that its operations will have an impact on the environment. Concern for the environment will be a fundamental part of decision making in all aspects of the company's activities, including capital investment and in the allocation of resources. The Group will:

1. Operate in ways that contribute to lowering energy and fuel usage, reducing carbon emissions, and reducing and recycling waste;
2. Ensure, as a minimum, compliance with all applicable legal requirements, as well as meeting or exceeding other requirements appropriate to the company's activities;
3. Recognise its key stakeholders' environmental policies and credentials as part of the process for evaluation and selection;
4. Consider key suppliers' environmental policies and credentials as part of the process for evaluation and selection;
5. Monitor and report, internally and externally, the environmental impact of the Group's operations;
6. Strive for continuous environmental improvement through the setting and reviewing of objectives and targets;
7. Ensure that all producers of electrical equipment comply with the WEEE Regulations.

Health and safety
The Group considers the effective management of health and safety to be an integral part of managing its business. The Group's on-going policy on health and safety is to provide adequate control of the health and safety risks arising from work activities through consultation with, and training of, its employees. The Group will maintain safe and healthy working conditions for employees, visitors and contractors, and keep its policy on health and safety up-to-date with regular reviews and updates to the policy as and when required.

ON BEHALF OF THE BOARD

N Berry
Director
10 August 2016

Report of the Directors

The Directors present their report and audited consolidated financial statements for the year ended 31 March 2016.

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

Daan Knottenbelt
Gary Pritchard
Nigel Berry

Directors' Qualifying Third Party Indemnity Provisions
The Group 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 Group has put in place 'Directors & Officers Liability' insurance to cover for this liability.

Dividends
The Directors have not proposed a dividend for the year ended 31 March 2016 (38 week period ended 31 March 2015: £nil).

Future developments
The Group will continue to focus on broadening its service proposition to its existing markets and on looking for new acquisitions

FRS 101
The Company has applied Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101"), for the first time in its Parent Company financial statements. The transition date from the previous UK GAAP was 4 July 2014, the date on which the Company was incorporated. 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".

Adopting FRS 101 has not resulted in a change to the entity's financial position or financial performance, as disclosed in the Parent Company financial statements.

Going concern
The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is able to generate sufficient liquidity.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. As at 31 March 2016, the Group had drawn down £25 million from a banking facility with HSBC and held net debt (excluding intercompany loans) of £17.7 million (2015: £19.2 million). Refer to note 22.3 for a further discussion of the Group's liquidity risk.

After assessing the forecasts and liquidity of the business for the next financial period the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In addition the Group has received confirmation from its ultimate parent Palamon Auxiliary Partnership 2013 fund, managed by Palamon Capital Partners LP, that they do not intend to recall or request payment of its shareholder loan notes within UKLS Acquisitions Limited within the next 12 months and has given its intention to providing continuing support to the Group for at least the next 12 months.

The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Corporate Governance
The Board
The Board meets approximately monthly during the year. Its primary role is to provide the effective and entrepreneurial leadership necessary to enable the Group's business objectives to be met and to review the overall strategic development of the Group as a whole. The Board reviews performance at Board meetings and by a detailed monthly management report, which includes the performance of each operating segment against the monthly and annual plan and covers all the key performance indicators featured in this report.

Report of the Directors (continued)

Corporate Governance (continued)
Internal Controls
The Board of directors has overall responsibility for the Group's systems of internal controls and for reviewing their effectiveness. An on-going process has been established for identifying, managing and evaluating the risks faced by the Group, including reputational risk. This process has been in place for the full financial year ended 31 March 2016 and up to the date on which the financial statements were approved and is regularly reviewed by the Board.

These systems are designed to manage rather than eliminate business risk; safeguard the Group's assets against material misstatement or loss; fairly report the Group's performance and position, and to ensure compliance with relevant legislation, regulation and best practice, including that related to social, environmental and ethical matters. The systems provide reasonable, not absolute, assurance against material misstatement or loss and are regularly reviewed by the Board to deal with changing circumstances.

Summaries of the key financial risks inherent in the Group's business are given in the Performance Review on pages 2 and 3 and in note 22 on pages 37-39.

The Group operates a management structure with delegated authority levels and functional reporting lines and accountability. It also operates a budgeting and financial reporting system which compares actual performance to budget and to the previous period on a monthly basis. In addition, the directors receive regular information on sales activity and on key performance data. All capital expenditure and other purchases are subject to appropriate authorisation procedures.

People
The Group's people are its largest resource and most highly valued asset. The Group's ability to respond to market change and innovate with its services is due in no small measure to the talent it has assembled. The Group continues to develop its people through challenge and training to ensure this capability is retained.

The Group has a strong customer focussed corporate culture driven by the principle of 'treating the customer fairly'. It is promoted and reinforced by an open and honest communication environment and by investment in ensuring that all employees have a profound understanding of the Group's core values and goals. This is achieved through a combination of a rigorous selection process, thorough induction programme, on-going coaching and mentoring, and cross-functional team building events involving all employees.

Staff opinions are frequently sought via both formal and informal routes including regular staff forums, dialogue with senior managers and employee online surveys.

The Group ensures that employees are kept informed of its affairs via information distributed by e-mail, intranet and in dialogue with management at presentations made to all staff. Group employees are encouraged to discuss strategic, operational and business issues within their teams and with their management. The Staff Forum provides staff with an opportunity to both understand their contribution to the business in the context of the financial and economic factors affecting the Group's performance and to raise issues and concerns to management on a regular basis.

Recognising and rewarding exceptional performance is key for the Group, which operates bonus plans that reward certain employees as a percentage of their salary. Participation in the bonus schemes operated by the Group is open to key employees and those with sales and other roles that can be directly linked through business performance.

The Group has a strong commitment to equality of opportunity in all its employment policies, practices and procedures. Its staff are a vital part of the success and growth of the Group and every effort is made to select, recruit, train and promote the best candidates based on suitability for the job, to treat all employees and applicants fairly regardless of race, sex, marital status, nationality, ethnic origin, age, disability, religious belief or sexual orientation, and to ensure that no employee suffers harassment or intimidation.

It is the Group's policy to provide employment and to make reasonable adjustment to accommodate disabled persons wherever the requirements of the organisation will allow and if applications for employment are received from suitable individuals. If existing employees become disabled, every reasonable effort will be made to ensure that their employment with the Group can continue on a worthwhile basis with career opportunities available to them.

Report of the Directors (continued)

Corporate Governance (continued)
Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report 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 group financial statements in accordance with International financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the company and group 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 IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the group and parent company financial statements respectively;
• 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors
Each director confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors
PricewaterhouseCoopers LLP offer themselves for reappointment as auditors in accordance with section 489 of the Companies Act 2006.

ON BEHALF OF THE BOARD

N A Berry
Director

/0 August 2016

Independent auditors' report to the members of UKLS Acquisitions Limited

Report on the group financial statements

Our opinion

In our opinion, UKLS Acquisitions Limited's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 March 2016 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the Consolidated statement of financial position as at 31 March 2016;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated statement of cash flows for the year then ended;
- the Consolidated 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 IFRSs as adopted by the European Union, and applicable law.

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 Strategic Report and 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 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. 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.

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 7, 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.

Independent auditors' report to the members of UKLS Acquisitions Limited (continued)

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 group'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.

Other matter

We have reported separately on the parent company financial statements of UKLS Acquisitions Limited for the year ended 31 March 2016.

Neil Philpott

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

10 August 2016.

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Revenue	3	**56,873**	34,465
Cost of sales		**(40,622)**	(24,570)
Gross profit	3	**16,251**	9,895
Administrative expenses		**(18,411)**	(12,817)
Operating loss		**(2,160)**	(2,922)
Analysed as:			
Gross profit		**16,251**	9,895
Other administrative expenses		**(10,497)**	(6,630)
Adjusted EBITDA		**5,754**	3,265
Depreciation	6	**(405)**	(245)
Amortisation of other intangible assets	6	**(645)**	(358)
Amortisation of acquired intangible assets	6	**(3,586)**	(2,128)
Exceptional items	7	**(3,278)**	(3,456)
Operating loss		**(2,160)**	(2,922)
Finance income	5	**9**	26
Finance costs	5	**(4,797)**	(3,604)
Loss before tax	6	**(6,948)**	(6,500)
Taxation	8	**1,191**	882
Loss for the year/period from continuing operations		**(5,757)**	(5,618)
Loss for the year/period from discontinued operations	25	**(343)**	(835)
Loss for the year/period and total comprehensive expense attributable to the owners of the parent		**(6,100)**	(6,453)

Consolidated Statement of Financial Position

	Note	As at 31 March 2016 £'000	As at 31 March 2015 £'000
Non-current assets			
Property, plant and equipment	11	**1,101**	972
Goodwill	9	**42,994**	42,972
Other intangible assets	10	**16,935**	20,592
		61,030	64,536
Current assets			
Inventories	12	**370**	1,260
Trade and other receivables	13	**10,284**	9,306
Cash and cash equivalents		**6,045**	4,636
Income tax receivable		**-**	862
		16,699	16,064
Total assets		**77,729**	80,600
Current liabilities			
Borrowings	16	**1,362**	882
Trade and other payables	14	**18,314**	17,039
Contingent consideration	7,16,19,22	**614**	3,346
Provisions	15	**158**	223
Income tax payable		**236**	-
		20,684	21,490
Non-current liabilities			
Borrowings	16	**66,061**	61,351
Deferred tax liabilities	8	**2,764**	3,439
		68,825	64,790
Total liabilities		**89,509**	86,280
Net liabilities		**(11,780)**	(5,680)
Equity			
Share capital	17	**-**	-
Share premium		**773**	773
Accumulated losses		**(12,553)**	(6,453)
Total equity		**(11,780)**	(5,680)

The financial statements on pages 10 to 42 were approved by the directors on 10 August 2016 and are signed on their behalf by:

N A Berry (Director)

Consolidated Statement of Cash Flows

	Notes	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Operating activities			
Loss before tax		**(6,948)**	(6,500)
Amortisation of other intangible assets	6	**4,231**	2,486
Depreciation of property, plant and equipment	6	**405**	245
Interest income	5	**(9)**	(26)
Interest expense	5	**4,797**	3,604
Impairment of intangible assets		**3,649**	-
Adjustment to deferred consideration		**(972)**	-
(Increase) decrease in trade and other receivables		**(879)**	1,693
Increase (decrease) in trade and other payables		**985**	(5,950)
Tax receipts (payments)		**842**	(267)
Cash flow from discontinued operations		**471**	5,420
Cash flow from operating activities		**6,570**	705
Investing activities			
Purchase of property, plant and equipment		**(534)**	(196)
Purchase of intangible assets		**(491)**	(359)
Acquisition of subsidiary (net of cash)	19	**-**	(4,026)
Acquisition of business	19	**(3,043)**	-
Interest received		**9**	9
Cash flow from discontinued operations		**(1,760)**	(600)
Cash flow from investing activities		**(5,819)**	(5,172)
Financing activities			
Net proceeds from bank loans		**-**	23,970
Loans granted by Parent Company		**3,000**	19,371
Repayment of loans and other borrowings		**(1,040)**	(25,562)
Interest paid		**(1,302)**	(1,589)
Proceeds from issue of share capital		**-**	773
Cash flow from discontinued operations		**-**	(7,860)
Cash flow from financing activities		**658**	9,103
Net increase in cash and cash equivalents		**1,409**	4,636
Cash and cash equivalents at beginning of the year/period		4,636	-
Cash and cash equivalents at end of the year/period		**6,045**	**4,636**

Refer to note 24 for a description of non-cash transactions during the year/period.

Consolidated Statement of changes in equity

for the year ended 31 March 2016

	Share capital £'000	Share premium £'000	Accumulated losses £'000	Total equity £'000
Balance at 4 July 2014	-	-	-	-
Loss for the period	-	-	(6,453)	(6,453)
Other comprehensive income	-	-	-	-
Total comprehensive expense	-	-	**(6,453)**	**(6,453)**
Proceeds from shares issued	-	773	-	773
Balance at 31 March 2015	-	773	**(6,453)**	**(5,680)**
Loss for the year	-	-	(6,100)	(6,100)
Other comprehensive income	-	-	-	-
Total comprehensive expense	-	-	**(6,100)**	**(6,100)**
Balance at 31 March 2016	-	773	**(12,553)**	**(11,780)**

Notes to the consolidated financial statements

1 General information and statement of compliance with IFRS

The company is a private company incorporated and domiciled in England. The address of UKLS Acquisitions Limited's registered office and its principal place of business is Grant Hall, Parsons Green, St Ives, Cambridgeshire PE27 4AA.

The consolidated financial statements of the Group have been prepared in accordance with EU adopted International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC), as well as The Companies Act 2006 as applicable to companies using IFRS.

The consolidated financial statements incorporate the financial statements of UKLS Acquisitions Limited (the 'Company') and its subsidiaries (together the 'Group') for the year ended 31 March 2016. Comparatives are presented for the period from 4 July 2014, the date on which the Company was incorporated, to 31 March 2015. The financial statements and supporting disclosure notes are presented in thousands (denoted by £'000) unless otherwise indicated.

2 Summary of accounting policies

2.1 Overall considerations

The consolidated financial statements have been prepared on the historical cost basis or financial assets and financial liabilities held at fair value through profit and loss. Historical cost is generally based on the fair value given in exchange for goods and services.

These accounting policies have been used consistently throughout all periods presented in the financial statements.

The consolidated financial statements are presented in pounds sterling (£), which is also the functional currency of the parent company.

The significant accounting policies that have been applied in the preparation of these consolidated financial statements are summarised below.

2.2 Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 31 March 2016. Subsidiaries are all entities over which the Group has control. Control is achieved where the Company has power over the investee, is exposed and has right to, the variable returns from its involvement with the investee and had the ability to use its power to affect its return from that entity. All subsidiaries have a reporting date of 31 March.

Intragroup transactions and balances between Group companies are eliminated on consolidation and there are no unrealised gains or losses on these transactions.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

2.3 Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is able to generate sufficient liquidity.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. As at 31 March 2016, the Group had drawn down £25 million from a banking facility with HSBC and held net debt (excluding intercompany loans) of £17.7 million (2015: £19.2 million). Refer to note 22.3 for a further discussion of the Group's liquidity risk.

After assessing the forecasts and liquidity of the business for the next financial period the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In addition the Group has received confirmation from its ultimate parent Palamon Auxiliary Partnership 2013 fund, managed by Palamon Capital Partners LP, that they do not intend to recall or request payment of its shareholder loan notes within UKLS Acquisitions Limited within the next 12 months and has given its intention to providing continuing support to the Group for at least the next 12 months.

The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Notes to the consolidated financial statements (continued)

2.4 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the fair value on the acquisition date and the amount of any non-controlling interest in the acquiree. The choice of measurement of non-controlling interest, either at fair value or at the proportionate share of the acquiree's identifiable net assets is determined on a transaction by transaction basis. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognised as of that date. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Revenue

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

The Group recognises revenue at the time it provides the goods or services, providing it is also probable that economic benefit will flow to the Group.

Revenue arising within the Property Services business segment is recognised as follows:

Sale of properties
Income from property sales is recognised at the point of legal completion of the sale of the property.

Property Sales management fees
Revenue arising from the provision of this service is recognised at the point of legal exchange of contracts on the properties being managed through the sale process, or the purchase of a property from a new home builder.

Law of Property Act ("LPA") services
Revenue arising from LPA services is recognised at two separate stages; when an exit strategy report is completed for the lender and when the receivership is concluded. These stages reflect the delivery points for the service to the customer.

Rental collection fees
Income from rental collection fees is recognised when the rentals have been collected and forwarded to the lender (if under receivership) or property owner.

Maintenance service fees
Income from maintenance services is recognised upon confirmation from the Group's sub-contractor maintenance providers through written and photographic evidence that work has been completed.

Revenue arising within the Legal Services business segment is recognised as follows:

Notes to the consolidated financial statements (continued)

Referral fees
The Group receives referral fee income where the referral of a conveyancing case is made to a solicitor or licensed conveyancer. A proportion of revenue is recognised at the point of referral, based on management's judgement as to whether the underlying property transaction will complete and the balance of revenue is recognised on completion of the property transaction. Refer to Note 2.21 for further details.

Subscriptions
Income from estate agents subscribing to the Group's estate agent network and internet services is recognised over the subscription period to which it relates (usually one year).

Probate case management fee
Standard fees are charged for cases, irrespective of the amount of time spent on the case. Fees are recognised as revenue on achieving certain milestones in progressing the case. Where fees are billed in advance of achieving certain milestones, they are deferred on the balance sheet. Refer to the discussion in 2.21 for further details.

Probate outsourced services
Revenue from fees charged to financial services organisations for the provision of outsourced probate services is recognised over the period to which the fees relate.

Interest on client accounts
Interest received on client account monies is recognised on a receivable basis and recorded as revenue.

Other income is recognised as follows:

Interest and dividend income
Interest income and expenses are reported on an accrual basis using the effective interest method. Dividend income is recognised at the time the right to receive payment is established.

2.6 Goodwill
After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying amount being reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

A previously recognised impairment loss with respect to goodwill is not reversed in later periods. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (or groups of cash generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and not be larger than an operating segment before aggregation.

The carrying amount of goodwill allocated to cash generating units is taken into account when determining the gain or loss on disposal of the unit, or of an operation within it.

2.7 Intangible assets and research and development activities
Intangible assets comprise acquired and internally generated software and are carried at acquisition and directly associated cost respectively.

Costs directly associated with the production of identifiable and unique software products or systems that are considered likely to generate economic benefits, and are capable of operating in the manner intended by management are separately identified and capitalised. Directly attributable costs that are capitalised include employee costs and consultancy costs. Such intangible assets arising from development of software and/or systems are amortised, on a straight line basis, over their useful economic lives (not exceeding four years) from the date the product is available for use. Other expenditure, including software research development costs are expensed as incurred.

Capitalised development expenditure and purchased software is stated at cost less accumulated amortisation and impairment losses. Such assets are assessed for impairment where there is an indication of impairment. Where impairment exists, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss recognised in the income statement. The amortisation charge for the asset is then adjusted to reflect the asset's revised carrying amount. Subsequent expenditure is only capitalised when it increases the future economic benefits embodied in the specific asset to which it relates.

Notes to the consolidated financial statements (continued)

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:

Software licenses	-	25% straight line
Development cost	-	25% straight line

Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in notes 2.13 and 2.21.

Amortisation has been included within 'administrative expenses'.

2.8 Other intangible assets
Intangible assets acquired through a business combination are initially measured at fair value and amortised on a straight line basis over their useful economic lives. Amortisation is shown within administrative expenses in the income statement. The useful economic lives of the intangible assets recognised on acquisition are as follows:

- Customer relationships recognised on acquisition: 5 to 7 years

2.9 Property, plant and equipment
Buildings, IT equipment and other equipment (comprising fixtures and fittings) are carried at acquisition cost or manufacturing cost less subsequent depreciation and impairment losses.

Buildings and IT equipment that are leasehold property are also included in property, plant and equipment if they are held under a finance lease. Such assets are depreciated over their expected useful lives (determined by reference to comparable owned assets) or over the term of the lease, if shorter.

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:

Leasehold improvements	-	straight line over the length of the lease
Fixtures & fittings	-	20% straight line
Office equipment	-	20% straight line
Computer equipment	-	25% straight line

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'administrative expenses'.

2.10 Leased assets
In accordance with IAS 17 *Leases,* the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease. Leases of land and buildings are classified separately and are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is recognised initially.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Group. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed as part of finance costs.

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss over the period of the lease.

All other leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Notes to the consolidated financial statements (continued)

2.11 Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

The carrying value of the property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an impairment review is performed and the asset's recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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.

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. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'finance costs' or 'finance income', except for impairment of trade receivables which is presented within 'administrative expenses'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Receivables that are not considered to be individually significant are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The percentage of the write down is then based on recent historical counterparty default rates for each individually significant receivable.

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Financial liabilities

The Group's financial liabilities include borrowings and trade and other payables.

Notes to the consolidated financial statements (continued)

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings 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 Group are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments
The Group has taken out a derivative financial instrument to cap the level of floating interest that it pays on its bank loans. Derivative financial instruments are initially recorded at fair value at the date a derivative contract is entered into and are subsequently re-measured to fair value at each balance sheet date.

2.13 Inventories
Inventories are properties held for resale. These are stated at the lower of cost and net realisable value. Cost includes the property acquisition cost and all expenses directly attributable to the purchase of property. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

2.14 Income taxes
Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise claims from, or those obligations to, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

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.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority. 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.

2.15 Exceptional items
Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material non-recurring items of income or expense that have been shown separately due to the significance of their nature or amount.

Notes to the consolidated financial statements (continued)

2.16 Equity, reserves and dividend payments
Share capital represents the nominal value of shares that have been issued. All shares are considered to be equity instruments.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

2.17 Post-employment benefits and short-term employee benefits
The Group provides post-employment benefits for certain employees through a defined contribution plan.

A defined contribution plan is a pension plan under which the Group may pay fixed contributions into an independent entity. The Group has no legal or constructive obligation to pay further contributions after its payment of the fixed contribution. Contributions to the plan are recognised as an expense in the period that relevant employee services are received.

2.18 Provisions
Provisions are recognised when the Group has a present obligation for a past event and where it is probable that this will result in an outflow of economic benefits and this can be reliably measured.

2.19 Accounting judgements and estimates
The preparation of the consolidated financial statements in conformity with Adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods, if applicable.

Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Revenue recognition (referral fees)
Referral fee income is initially recognised based on the activity status of the underlying transaction and the probability of the underlying transaction proceeding to completion and so generating a fee for the group in respect of the referral made. Management use historical conversion rates for referrals to calculate the revenue to initially be recognised.

Revenue recognition (case management fees)
A proportion of case management fees are recognised as revenue at the outset of the case, with further tranches recognised upon achieving certain key milestones within the case and on final payment to beneficiaries. The amount of revenue recognised at each milestone is applied consistently across all cases and is allocated in proportion to the associated costs actually incurred in comparison to the total costs management expect to incur in completing the case. Management reviews the historic cost profiling of cases on a quarterly basis to assess whether the profile of revenue recognition remains appropriate.

Valuation of separately identifiable intangible assets
As detailed in note 2.10, separately identifiable intangible assets are identified and amortised over defined periods. The Directors use an acknowledged valuation approach but this is reliant upon certain judgements which they determine are reasonable by reference to companies in similar industries.

Trade receivables
Trade receivables are stated net of a provision for bad and doubtful debts, based on the Group's best estimate of the likelihood of recovery on a specific basis. Details of the bad debt provision and trade receivables are provided in note 13.

Notes to the consolidated financial statements (continued)

Inventories
Inventories are stated net of a provision for impairment, based on the Group's best estimate of the likelihood of recovery on a specific basis, and includes costs to sell.

Capitalised development costs
Internally generated software costs are capitalised when the following criteria are met:
- it is technical feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use it;
- there is an ability to use the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Impairment
The Group follows the guidance of IAS 38 and IFRS3 to determine when intangible assets or goodwill are impaired. In making this judgement management take into account the following factors:
- Intangible assets (capitalised development costs) – obsolescence of certain technologies within the software product, and if the software product is no longer fit for the purpose it was developed for
- Goodwill and acquired intangible assets – the decline in future cash flows from potential adverse changes in the businesses acquired

2.20 Discontinued operations
Cash flows and operations that relate to a major component of the business or geographical region that have been disposed (that is sold or closed) or classified as held for sale are shown separately from continuing operations.

Where an operation is classified as discontinued, the post-tax results of that operation will be presented as a single line item on the face of the income statement and the cash flows from the discontinued operations will be split between continuing and discontinued operations on the face of the cash flow statement. Comparatives are restated to distinguish between continuing and discontinued operations.

2.21 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group
The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 April 2015 and have not been early adopted:

IFRS 9 Financial Instruments
IFRS 10 (amended) Amendments regarding the application of the consolidation exception
IFRS 11 (amended) Amendments regarding the accounting for acquisitions of an interest in a joint operation
IFRS 12 (amended) Amendments regarding the application of the consolidation exception
IFRS 14 Regulatory Deferral Accounts
IFRS 15 Revenue from Contracts with Customers
IFRS 16 Leases
IAS 12 (amended) Amendments regarding the recognition of deferred tax assets for unrealised losses
IAS 16 (amended) Amendments regarding the clarification of acceptable methods of depreciation and amortisation
IAS 16 (amended) Amendments bringing bearer plants into the scope of IAS 16
IAS 27 (amended) Amendments reinstating the equity method as an accounting option for investments in in subsidiaries, joint ventures and associates in an entity's separate financial statements
IAS 28 (amended) Amendments regarding the application of the consolidation exception
IAS 36 (amended) Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets
IAS 38 (amended) Amendments regarding the clarification of acceptable methods of depreciation and amortisation
IAS 41 (amended) Amendments bringing bearer plants into the scope of IAS 16
Improvements to IFRSs (September 2014)
Amendments resulting from the disclosure initiative (January 2016)

The adoption of both IFRS 9 and IFRS 16 will impact both the measurements and disclosures of financial instruments and operating leases respectively. IFRS 15 will impact both the measurements and disclosures of revenue recognition. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until a detailed review has been completed. The other standards and interpretations are not expected to have any significant impact on the financial statements when applied.

Notes to the consolidated financial statements (continued)

3 Segment reporting
Management currently identifies the Group's two service lines as separate operating segments as described below. These operating segments are monitored and strategic decisions are made on the basis of the segment operating results.

The performance of the operating segments is assessed on a measurement of Adjusted EBITDA. The measurement basis excludes depreciation, amortisation, non-recurring expenditure such as reorganisation and acquisition costs, finance income and expense and income taxes. Management does not analyse the results of discontinued operations.

Management does not separately identify any assets or liabilities between segments and accordingly no such disclosure is given in the segmental analysis.

The operating segments are as follows:

Property Services business

- outsourced services to assist national and regional house builders in the selling of properties taken in part-exchange for new homes;
- repossession asset management services to a range of lenders and mortgage book owners including arranging the sale of repossessed properties;
- the sale of properties under probate sold by non-family executors, namely solicitors and other professional executors;
- strategic assessment on behalf of lenders and mortgage book owners of rental portfolios that fall into arrears; and
- management and maintenance of properties on behalf of a range of property owners.

Legal Services business

- subscription-based member network for independent regional estate agents;
- conveyancing services to consumers introduced through its member network via a managed panel of solicitors and licensed conveyancers;
- supply of services relating to probate administration for deceased estates; and
- supply of deceased case management services and outsourced services to financial services organisations.

Measurement policies used by the Group for segmental reporting under IFRS 8 are the same as those used in its financial statements.

Segment information for the year ended 31 March 2016 can be analysed as follows:

2016	**Property Services £'000**	**Legal Services £'000**	**Total £'000**
Revenue			
Segment revenues	20,193	36,680	56,873
Segment cost of sales	(15,269)	(25,353)	(40,622)
Segment gross profit	4,924	11,327	16,251
Other administrative expenses	(2,516)	(7,981)	(10,497)
Adjusted EBITDA	2,408	3,346	5,754
Depreciation	(56)	(349)	(405)
Amortisation of other intangible assets	(54)	(591)	(645)
Amortisation of acquired intangible assets	(517)	(3,069)	(3,586)
Segment operating profit / (loss)	1,781	(663)	1,118
Net exceptional costs			(3,278)
Operating loss from continuing operations			(2,160)

Notes to the consolidated financial statements (continued)

Segment information for the 38 week period ended 31 March 2015 can be analysed as follows:

2015	Property Services £'000	Legal Services £'000	Total £'000
Revenue			
Segment revenues	12,120	22,345	34,465
Segment cost of sales	(9,323)	(15,247)	(24,570)
Segment gross profit	2,797	7,098	9,895
Other administrative expenses	(1,349)	(5,281)	(6,630)
Adjusted EBITDA	1,448	1,817	3,265
Depreciation	(110)	(135)	(245)
Amortisation of other intangible assets	(69)	(289)	(358)
Amortisation of acquired intangible assets	(442)	(1,686)	(2,128)
Segment operating profit / (loss)	827	(293)	534
Exceptional costs			(3,456)
Operating loss from continuing operations			(2,922)

Segment operating profit (loss) represents operating profit earned by each segment, without allocation of exceptional costs incurred during the period.

The Group's revenue by significant category is as follows:

	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Revenue from the rendering of legal services	35,927	21,797
Revenue from the rendering of property services	20,193	12,120
Revenue arising from interest on client accounts	753	548
	56,873	34,465

All of the revenue recorded by the Group is domiciled in the United Kingdom.

Revenue from none (2015: none) of the Group's customers individually exceeded 10% of total Group revenue during the year.

4 Employees

4.1 Employee benefits expense and average number of people employed

Expenses recognised for employee benefits (including directors) are analysed below:

	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Wages and salaries	17,977	11,153
Social security costs	1,630	1,123
Other pension costs	503	248
	20,110	12,524

Notes to the consolidated financial statements (continued)

The Group operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees.

The monthly average number of staff (including directors) employed by the Group during the period amounted to:

	Year ended 31 March 2016 No	38 weeks ended 31 March 2015 No
Sales staff	**360**	371
Administration staff	**132**	120
Operations staff	**222**	181
	714	672

4.2 Remuneration of Directors
The emoluments for Directors services is as follows:

	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Directors' emoluments	**186**	96

Emoluments of highest paid director:

	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Total emoluments	**186**	96

Two of the Company's Directors did not receive remuneration for their services to the Company (38 weeks ended 31 March 2015: two). None of the Directors accrued benefits under company pension schemes (38 weeks ended 31 March 2015: none).

4.3 Remuneration of key management personnel
Apart from the board of directors there are a number of senior executives whose roles influence the ability of the Group to meet its strategic objectives. The remuneration of these senior executives includes the following expenses:

	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Short-term employee benefits	**1,455**	751
Post-employment benefits	**116**	37
	1,571	788
Number of senior executives at the Balance Sheet date	**10**	6

During the period, the Group received consultancy services from APSE Limited, a company controlled by Steve Embling who is identified within key management, amounting to £nil (38 weeks ended 31 March 2015: £72,500).

Notes to the consolidated financial statements (continued)

5 Finance income and finance costs
Finance costs may be analysed as follows:

	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Interest on loans from Parent Company	3,321	1,978
Interest on bank loans	1,267	933
Write off of arrangement fee – repaid bank loan	-	425
Amortisation of arrangement fee – new bank loan	158	105
Other finance costs	34	163
Fair value of derivative financial instrument	17	-
Finance costs	4,797	3,604

Finance income may be analysed as follows:

	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Interest income from cash and cash equivalents	9	9
Fair value of derivative financial instrument	-	17
Finance income	9	26

6 Loss before tax
Loss before tax from continuing operations is stated after charging:

	Note	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Depreciation of property, plant and equipment	11	405	245
Amortisation of intangible assets	10	4,231	2,486
Auditors' remuneration:			
Fees payable to the Company's auditors for the audit of parent company and consolidated financial statements		7	6
Fees payable to the Company's auditors for other services			
- The audit of the company's subsidiaries		98	135
- Tax compliance service		45	42
- Corporate finance		13	463
- Tax advisory service		73	-
Write-off of financial asset		136	-
Operating lease expense	18	788	761

Corporate finance includes tax advice provided in relation to the Group's acquisition of Washbrook Capital Limited.

Notes to the consolidated financial statements (continued)

7 Exceptional items

	Note	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Impairment of intangible assets	10	3,649	-
Fair value adjustment to contingent consideration	16,19,22	(972)	-
Exceptional operating costs		601	3,456
		3,278	3,456

Impairment of intangible assets
Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Accordingly, impairment charges totalling £3,649,000 have been recognised as exceptional costs during the year ended 31 March 2016, relating to one asset no longer intended to be used by management (impairment charge of £649,000), a different asset for which the number of consumer leads expected to be generated had deteriorated subsequent to this being fair valued as part of the acquisition of Washbrook Capital Limited and its associated subsidiaries (impairment charge of £2,908,000) and a further asset that was no longer required following the loss of a customer (impairment charge of £92,000).

Contingent consideration
The fair value of the contingent consideration is equivalent to the expected cash flows arising from the realisation of certain assets within a group subsidiary, now disclosed as a discontinued operation, net of tax and other associated costs and is therefore valued with reference to this subsidiary's net assets. Management noticed a deterioration in the net assets of this subsidiary during the year ended 31 March 2016 and accordingly, a credit of £972,000 was recorded within exceptional costs in the income statement. This reduced the carrying amount of the liability to its fair value £614,000 (2015; £3,346,000), following cash payments of £1,760,000 during the year.

Exceptional operating costs
Included within exceptional operating costs for the year ended 31 March 2016 were £0.2 million of professional fees incurred as a result of the acquisition of the UK Probate service business, £0.3 million of costs incurred as part of certain restructuring programmes and the write-off of a financial asset (£0.1 million).

For the 38 week period ended 31 March 2015, exceptional operating costs were mostly comprised of consultancy fees, legal and advisory costs incurred as a result of the acquisition of Washbrook Capital Limited. Also included within exceptional costs are £0.3 million of costs incurred as part of certain restructuring programmes.

8 Taxation
(a) Analysis of charge in the period

	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Current tax:		
Current tax on profits for the year	320	-
Adjustment in respect of prior years	(65)	-
Current income tax charge	255	-
Deferred tax:		
Current year	(1,376)	(712)
Adjustment in respect of prior years	83	-
Effect of changes in tax rate	(153)	(170)
Total deferred tax credit	(1,446)	(882)
Income tax credit	(1,191)	(882)

Notes to the consolidated financial statements (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher /lower (2015: higher) than the standard rate of corporation tax in the UK of 20% (2015: 21%).

	Year ended 31 March 2016 £'000	38 weeks ended 31 March 2015 £'000
Loss before tax	**(6,948)**	(6,500)
Tax at UK corporation tax rate of 20% (2015: 21%)	**1,390**	1,365
Adjustments in respect of previous years	**(18)**	-
Expenses not deductible for tax purposes	**(66)**	(403)
Non-taxable income	**195**	35
Effects of other tax rates	**153**	171
Group relief	**(438)**	54
Exempt items	**(25)**	-
R&D relief	-	75
Non-deductible interest	-	(415)
Total income tax credit	**1,191**	882

Deferred tax liabilities
Deferred taxes arising from temporary differences can be summarised as follows:

	Acquired intangible assets £'000	Property, plant and equipment £'000	Other short term temporary differences £'000	Total £'000
At 4 July 2014	-	-	-	-
Acquisition of subsidiary	(4,297)	210	(250)	(4,337)
Credit to the income statement (continuing operations)	882	-	-	882
Credit to the income statement (discontinued operations)	16	-	-	16
At 31 March 2015	**(3,399)**	**210**	**(250)**	**(3,439)**
Adjustment to acquired assets	(154)	-	-	(154)
Acquisition of business	(600)	-	-	(600)
Credit to the income statement (continuing operations)	1,462	(210)	194	1,446
Credit to the income statement (discontinued operations)	-	-	(17)	(17)
Re-categorisation	(269)	-	269	-
Balance at 31 March 2016	**(2,960)**	**-**	**196**	**(2,764)**

As at 31 March 2016, the Group had unrecognised deferred tax assets of £5,000 (31 March 2015: £nil).

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015. As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements. The overall effect of that change, if it had applied to the deferred tax balance at the balance sheet date, would be to reduce the net deferred tax liability by £291,000.

Notes to the consolidated financial statements (continued)

9 Goodwill

	Cost & carrying amount £'000
At 22 July 2014	-
Arising on acquisition of Washbrook	42,972
At 31 March 2015	42,972
Adjustment to goodwill on Washbrook acquisition	(578)
Acquisition of Probate business	600
At 31 March 2016	42,994

The amount of goodwill provisionally recognised on the acquisition of Washbrook Capital Limited was revised to £42.4 million (31 March 2015: £43.0 million), due to a change in the fair value of net assets acquired, amounting to £0.6 million, identified during the year ended 31 March 2016.

For the purpose of annual impairment testing goodwill is allocated to the following cash-generating units, which are the units expected to benefit from the business combinations in which the goodwill arises.

	31 March 2016 £'000	31 March 2015 £'000
Legal services	34,479	34,936
Property services	8,515	8,036
	42,994	42,972

The Group tests the assets allocated to different cash generating units ('CGU') for impairment on an annual basis, or more frequently where there are indicators of possible impairment. Assets allocated to the Group's two identifiable CGUs include goodwill and other intangible assets.

The recoverable amount of each CGU is based on its estimated value in use, which is calculated by a discounted cash flow model derived from the most recent annual budget and longer range financial plans, covering the subsequent four financial years, presented to the board of directors. A terminal value is calculated for the period beyond the longer range financial plan, based on the expected cash flows in year five and a terminal growth rate of 2.5%, which is consistent with the historical long term growth rate of the UK economy.

Assumptions included within the cash flow forecast include those about revenue growth rates, based on management's estimates of available market size and likely market share, along with associated direct and indirect cost in line with volume and revenue growth.

Sensitivity impairment testing
The key assumption within the cash flow model is the discount rate. Management has used a discount rate of 10% for performing impairment calculations. This discount rate is derived from the Group's post-tax weighted average cost of capital and is adjusted where applicable to take into account any specific risks.

Reasonably possible sensitivities in the discount rate have been considered and were the discount rate to increase beyond 17.24% (2015: 11.49%), then the carrying value of the Legal services CGU would exceed its recoverable amount.

The Directors have concluded that there are no cash generating units where reasonably possible changes in any of the other assumptions would cause the carrying amount of a CGU to exceed its recoverable amount.

Notes to the consolidated financial statements (continued)

10 Other intangible assets

Carrying amounts for the reporting periods under review can be analysed as follows:

	Acquired customer relationships £'000	Development costs £'000	Software licenses £'000	Total £'000
Cost				
At 4 July 2014	-	-	-	-
Acquisition of subsidiary	20,462	2,064	193	22,719
Additions	-	350	9	359
At 31 March 2015	20,462	2,414	202	23,078
Additions	-	423	68	491
Acquisition of business	3,000	-	-	3,000
Adjustment to acquired assets (note 9)	732	-	-	732
Re-classification	-	(185)	185	-
At 31 March 2016	**24,194**	**2,652**	**455**	**27,301**
Accumulated amortisation				
At 4 July 2014	-	-	-	-
Amortisation	2,128	304	54	2,486
At 31 March 2015	2,128	304	54	2,486
Amortisation	3,586	481	164	4,231
Impairment	2,908	741	-	3,649
At 31 March 2016	**8,622**	**1,526**	**218**	**10,366**
Net book amount				
At 31 March 2016	**15,572**	**1,126**	**237**	**16,935**
At 31 March 2015	18,334	2,110	148	20,592

The Group's intangible assets comprise acquired software licences, capitalised internal software development costs and acquired customer relationships, which arose on the acquisition of Washbrook Capital Limited and its associated subsidiaries, during the 38 week period ended 31 March 2015 and the acquisition of a UK probate service business, during the year ended 31 March 2016

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Accordingly, impairment charges totalling £3,649,000 have been recognised as exceptional costs during the year ended 31 March 2016, relating to one asset no longer intended to be used by management (impairment charge of £649,000), a different asset for which the number of consumer leads expected to be generated had deteriorated subsequent to this being fair valued as part of the acquisition of Washbrook Capital Limited and its associated subsidiaries (impairment charge of £2,908,000) and a further asset that was no longer required following the loss of a customer (impairment charge of £92,000).

The Group did not recognise any impairment charges in the 38 week period ended 31 March 2015

As at 31 March 2016, the Group had entered into contractual commitments to purchase other intangible assets amounting to £nil (2015: £nil).

The net book value and estimated remaining useful life of materially significant other intangible assets is as follows:

	End of useful life	31 March 2016 £'000	31 March 2015 £'000
Legal services project	Impaired	-	641
Legal services platform	September 2018	772	1,005

Notes to the consolidated financial statements (continued)

11 Property, plant and equipment

The Group's property, plant and equipment comprise leasehold improvements, fixtures and fittings, office equipment and motor vehicles. The carrying amount can be analysed as follows:

	Leasehold improvements £'000	Fixtures & fittings £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost					
At 4 July 2014	-	-	-	-	-
Acquisition of subsidiary	235	215	361	210	1,021
Additions	90	10	40	56	196
At 31 March 2015	325	225	401	266	1,217
Additions	145	12	119	258	534
At 31 March 2016	**470**	**237**	**520**	**524**	**1,751**
Accumulated depreciation					
At 4 July 2014	-	-	-	-	-
Depreciation	33	47	90	75	245
At 31 March 2015	33	47	90	75	245
Depreciation	92	61	118	134	405
At 31 March 2016	**125**	**108**	**208**	**209**	**650**
Net book amount					
At 31 March 2016	**345**	**129**	**312**	**315**	**1,101**
At 31 March 2015	292	178	311	191	972

All depreciation charges are included within 'administrative expenses'.

As at 31 March 2016, the Group had entered into contractual commitments to purchase property, plant and equipment amounting to £nil (2015: £nil).

12 Inventories

Inventories recognised in the statement of financial position can be analysed as follows:

	31 March 2016 £'000	31 March 2015 £'000
Property held for resale	**370**	1,260

Notes to the consolidated financial statements (continued)

13 Trade and other receivables

Trade and other receivables recognised in the statement of financial position can be analysed as follows:

	31 March 2016 £'000	31 March 2015 £'000
Trade receivables, gross	**4,494**	4,742
Allowance for credit losses	**(397)**	(295)
Trade receivables, net	**4,097**	4,447
Other debtors	**815**	752
Amounts due from other group companies	**592**	-
Derivative financial instruments	-	17
Prepayments and accrued income	**4,780**	4,090
Trade and other receivables	**10,284**	9,306

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

13.1 Movement in allowance for credit losses

The movement in the allowance for credit losses can be reconciled as follows:

	31 March 2016 £'000	31 March 2015 £'000
Balance at the beginning of period	**295**	-
Acquisition of subsidiary	-	341
Additional provisions in the period	**192**	20
Released	**(90)**	-
Utilised	-	(66)
Balance at the end of the period	**397**	295

The carrying amount of receivables whose terms have been renegotiated, that would otherwise be past due or impaired, is £nil.

13.2 Ageing of past due but not impaired trade receivables

	Total	Neither past due nor impaired	Past due but not impaired	
			30-90 days	> 90 days
	£'000	£'000	£'000	£'000
As at 31 March 2016	**4,097**	**2,772**	**1,070**	**255**
As at 31 March 2015	4,447	2,659	878	910

Notes to the consolidated financial statements (continued)

14 Trade and other payables

Trade and other payables recognised in the statement of financial position can be analysed as follows:

	Note	As at 31 March 2016 £'000	As at 31 March 2015 £'000
Trade payables		**2,699**	2,876
Accruals and deferred income		**9,011**	7,601
Other taxation and social security		**2,029**	1,873
Amounts due to Parent Company		**2,227**	1,822
Other creditors		**2,348**	2,867
Total trade and other payables		**18,314**	17,039

The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

Included within other creditors above are £1,087,000 (2015: £1,226,000) of customer payments in advance for legal services.

15 Provisions

	Property provisions £'000	Operational Losses £'000	Total £'000
At 4 July 2014	-	-	-
Acquisition of subsidiary	141	156	297
Additions	-	13	13
Released in the period	(87)	-	(87)
At 31 March 2015	54	169	223
Additions	12	10	22
Utilised in the year	(64)	(9)	(73)
Released in the year	-	(14)	(14)
At 31 March 2016	**2**	**156**	**158**

Property provisions

The Group has recognised provisions for satisfying the terms of any onerous lease or meeting future dilapidations costs relating to its rented office buildings. It is anticipated that the provision will be utilised either over the remaining lease term or when the lease term ends.

Operational losses

The Group has recognised a provision for certain operational issues that arise within its legal services business, such as onerous case contracts where an irrecoverable balance has been identified, risk cases where a potential pecuniary loss has been identified for which the cost is likely to be borne by the Group and the cost of cases where it is necessary to resort to legal action to recover deficit balances on estates. It is anticipated that the provision will be utilised over the remainder of the relevant cases.

Notes to the consolidated financial statements (continued)

16 Financial assets and liabilities

16.1 Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	31 March 2016 £'000	31 March 2015 £'000
Financial assets:		
Loans and receivables		
Trade and other receivables	5,503	5,199
Cash and cash equivalents	6,045	4,636
	11,548	9,835

	31 March 2016 £'000	31 March 2015 £'000
Financial assets at fair value through profit or loss:		
Derivative financial instruments	-	17

	31 March 2016 £'000	31 March 2015 £'000
Financial liabilities measured at amortised cost:		
Current and non-current		
Loan and bank borrowings	67,423	62,233
Trade and other payables	15,848	15,134
	83,271	77,367

	31 March 2016 £'000	31 March 2015 £'000
Financial liabilities at fair value through profit or loss:		
Contingent consideration	614	3,346

16.2 Borrowings

Loans and borrowings comprise:

	31 March 2016 £'000	31 March 2015 £'000
Current		
Bank and other borrowings	1,362	882
Non-current		
Bank and other borrowings	21,591	22,953
Amounts due to Parent company	44,470	38,398
	66,061	61,351

Notes to the consolidated financial statements (continued)

16.3 Borrowings at amortised cost

The Group holds the following loan and debt facilities:

Instrument	Counterparty	Principal borrowed	Term	Interest rate	Carrying amount 31 March 2016	Carrying amount 31 March 2015
		£'000	Years		£'000	£'000
Facility A loan	HSBC	8,000	6	LIBOR+4.25%	6,483	7,468
Facility B loan	HSBC	16,000	7	LIBOR+4.75%	15,500	15,404
Revolving loan facility	HSBC	1,000	6	LIBOR+4.25%	970	963
Parent company loan	UKLS Midco Ltd.	44,470	10	8.0%	44,470	38,398

The issue costs for the HSBC facilities above amounted to £1.03 million. The loans are shown net of issue costs, which are being amortised over the life of the loan arrangements. The unamortised balance remaining at 31 March 2016 was £767,000 (2015: £925,000).

On 8 October 2014, the Group purchased an interest rate cap, to cap a majority of the LIBOR element of the facility B loan to 2.5%. This instrument expires on 30 July 2017.

During the year ended 31 March 2016, unpaid interest on loans with the Parent company amounting to £3,072,000 compounded and became part of the principal. The Company also entered in to a further loan agreement with it's Parent company for a principal amount of £3,000,000.

Repayment of debt instruments

The Group fully settled the principal of the following debt instruments, which were acquired with the Washbrook Group, during the 38 week period ended 31 March 2015:

Instrument	Amount re-paid
	£'000
Bank loans	19,730
Loan notes	12,585
Preference shares	725
	33,040

17 Share capital

	Authorised, allotted, issued and paid 31 March 2016	31 March 2015
	No.	No.
A ordinary shares of £1 each	21	21
B ordinary shares of £0.0001 each	772,583	772,583
Total number of shares	772,604	772,604
	£	£
Total nominal value of shares	98	98

The ordinary shares of the Company are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

A summary of the movements in the period is detailed in the following table:

	Number of shares
At 4 July 2014	-
Number of A ordinary shares subscribed on incorporation	1
Number of A ordinary shares issued on the acquisition of Washbrook	20
Number of B ordinary shares issued during the period	772,583
At 31 March 2016 and 31 March 2015	772,604

Notes to the consolidated financial statements (continued)

18 Operating leases as lessee

The Group's future minimum operating lease payments are as follows:

	As at 31 March 2016			As at 31 March 2015		
	Land & Buildings £'000	Other £'000	Total £'000	Land & Buildings £'000	Other £'000	Total £'000
Within 1 year	836	9	845	1,081	64	1,145
1 to 5 years	3,032	6	3,038	4,074	15	4,089
After 5 years	187	-	187	797	-	797
Total	4,055	15	4,070	5,952	79	6,031

Lease payments recognised as an expense during the period amount to £788,000 (38 weeks ended 31 March 2015: £761,000).

The lease payments relate mainly to rental contracts for the Group's office buildings.

The Group's operating lease agreements do not contain any contingent rent clauses. None of the operating lease agreements contain renewal or purchase options or escalation clauses or any restrictions regarding dividends, further leasing or additional debt.

19 Business combinations

19.1 Acquisition of business

On 27 November 2015, the Company acquired a UK probate service business, including the transfer of 63 employees and a number of wills, from HSBC Trust Company (UK) Limited ('HTCU'), a wholly-owned subsidiary of HSBC Bank plc. The acquisition was effected as part of a wider Group strategy, whereby the Group intends to build a substantial legal services business through organic growth, the acquisition of other relevant businesses and the development and application of technology.

The acquisition note is shown below:

	Fair value recognised on acquisition £'000
Intangible assets	3,000
Trade and other receivables	327
Trade and other payables	(284)
Deferred tax liability	(600)
Net assets at acquisition	2,443
Allocation to goodwill	600
Total consideration	3,043
Satisfied by:	
Cash consideration paid	3,043
Net cashflows arising from acquisition	
Cash consideration paid	(3,043)

The fair value of the financial assets acquired, including trade and other receivables, is consistent with their contractual value.

The goodwill arising from the acquisition is attributable to the skill and expertise of the acquired workforce.

Consideration

Further contingent consideration payments would be due to HTCU within three years and six years, subject to the signing of further agreements between the Company and HTCU. The fair value of this contingent consideration at the acquisition date and balance sheet date is £nil.

Acquisition related costs

Acquisition related costs were £0.2 million and comprised of legal and professional service fees.

Notes to the consolidated financial statements (continued)

Impact of acquisition on results of the Group
For the year ended 31 March 2016, revenue for the Group was £56.9 million and the loss before tax was £6.9 million, with the acquired business contributing £0.8 million of revenue and £0.0 million to the loss before tax. Had the business been acquired on the first day of the financial year, then revenue for the Group would have been £58.6 million and the loss before tax would the loss before tax would not have been materially different.

19.2 Acquisition of subsidiary and the fair value of net assets acquired
On 8 August 2014 the Company acquired the entire share capital of Washbrook Capital Limited ('Washbrook'), a holding company of a Group which provides legal and property services to corporate clients as well as direct to individual consumers, for total consideration of £38.3 million. The acquisition was effected as part of a wider strategy, whereby the Group intends to build a substantial legal services business through organic growth, the acquisition of other relevant businesses and the development and application of technology.

The acquisition note is shown below:

	Fair value recognised on acquisition £'000
Property, plant and equipment	1,021
Intangible assets	23,451
Inventory	8,926
Trade and other receivables	11,792
Cash and other equivalents	11,308
Trade and other payables	(23,054)
Loans and borrowings	(33,040)
Deferred income tax liabilities	(4,491)
Net liabilities at acquisition	(4,087)
Allocation to goodwill	42,394
Total consideration	38,307
Satisfied by:	
Cash consideration paid	15,334
Loan notes issued	19,027
Deferred consideration	3,946
	38,307

Net cashflows arising from acquisition	£'000
Cash consideration paid	(15,334)
Partial payment of deferred consideration	(600)
Less: cash and cash equivalents acquired	11,308
Net cash outflow	(4,626)

The fair value of the financial assets acquired, including trade and other receivables, is consistent with their contractual value of £5.3 million. The best estimate at the acquisition date of the contractual cash flows unlikely to be collected from trade and other receivables is £0.3 million.

The goodwill and intangible assets arising from the acquisition is attributable to management's experience on lead generation and conversion in the legal service sector, in particular within volume conveyancing and probate deceased estate management, and the skill of the workforce in providing these services to consumers and businesses alike.

Consideration
Loan notes of £19.0 million were issued to the shareholders of Washbrook as part of the consideration for the acquisition. Upon the acquisition of the Group by UKLS Midco Limited ('Midco), Midco issued loan notes to the previous shareholders of Washbrook to settle the loan notes issued by the Group in their entirety, with this replaced by an intercompany loan agreement with Midco and the Group.

Notes to the consolidated financial statements (continued)

The fair value of the contingent consideration is equivalent to the expected cash flows arising from the realisation of certain assets within a group subsidiary, now disclosed as a discontinued operation, net of tax and other associated costs and is therefore valued with reference to this subsidiary's net assets. Management noticed a deterioration in the net assets of this subsidiary during the year ended 31 March 2016 and accordingly, a credit of £972,000 was recorded within exceptional costs in the income statement. This reduced the carrying amount of the liability to its fair value £614,000 (2015; £3,346,000), following cash payments of £1,760,000 during the year.

Also included within the consideration for Washbrook are 20 A Ordinary shares of £1 each, which were issued as part of a share for share exchange.

Acquisition related costs
Acquisition related costs were £3.2 million and comprised of consultancy fees and legal and advisory costs. These have been recorded within 'Exceptional administrative expenses' in the income statement.

Impact of acquisition on results of the Group
During the 38 week period ended 31 March 2015 revenue for the combined group was £45.2 million and the loss before tax was £7.4 million. The Washbrook group contributed £45.2 million to revenue and a profit of £1.9 million to the loss before tax between the acquisition date and 31 March 2015. Neither the revenue nor the result would have been materially different had the Washbrook Capital Limited group been acquired on the first day of the reporting period.

Adjustment to goodwill
The amount of goodwill provisionally recognised on the acquisition of Washbrook Capital Limited was revised to £42.4 million (31 March 2015: £43.0 million), due to a change in the fair value of net assets acquired, amounting to £0.6 million, identified during the year ended 31 March 2016.

20 Principal subsidiaries of the group
At 31 March 2016, the subsidiaries of the Group were as follows:

	Class of share capital held	Proportion held	Nature of business
Washbrook Capital Limited	Ordinary	100%	Holding company
Move with Us (2012) Limited	Ordinary	100%	Holding company
Move with Us Limited	Ordinary	100%	Holding company
Partners in Property (UK) Limited	Ordinary	100%	Management services for the property sales industry
Move with Us Conveyancing Limited	Ordinary	100%	Provision of conveyancing services for residential house sales
Secure Home Purchase Limited	Ordinary	100%	Property trading
Secure Legal Solutions Limited	Ordinary	100%	Licensed conveyancer
Dorling Cottrell Limited	Ordinary	100%	Licensed conveyancer
Secure Maintenance Services Limited	Ordinary	100%	Dormant
Move with Us Mortgages Limited	Ordinary	100%	Dormant
Move with Us Financial Services Limited	Ordinary	100%	Dormant
Partners in Property Limited	Ordinary	100%	Dormant
PRIAM Asset Management Limited	Ordinary	100%	Dormant
Plant Newco Limited	Ordinary	100%	Dormant
Law Firm Network Limited	Ordinary	100%	Dormant
Secure Executor Lending Limited	Ordinary	100%	Dormant
Chorus Law Group Limited	Ordinary	100%	Holding Company
Simplify Channel Limited	Ordinary	100%	Provision of advice to personal representatives of deceased estates
Chorus Law Limited	Ordinary	100%	Provision of legal services
Hinckley & Hunt Company Limited	Ordinary	100%	Dormant
Bereavement advice Centre Limited	Ordinary	100%	Dormant
Independent Trust Corporation Limited	Ordinary	100%	Dormant
Hinckley & Hunt Executor Company Limited	Ordinary	100%	Dormant
Inform Once Limited	Ordinary	100%	Dormant

All subsidiary companies are incorporated in Great Britain and included within these consolidated financial statements. All activities are conducted mainly in the United Kingdom.

Notes to the consolidated financial statements (continued)

21 Related party transactions

The Group's related parties include its key management, as described in note 4.3 and others as described below. Transactions between the Company and its subsidiaries, which are also related parties, have been eliminated on consolidation and are not disclosed within this note.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Grant McKerron and Sean King, both key management personnel during the period, provided consultancy services amounting to £20,000 and £37,278 during the year.

The immediate parent company of the Group is UKLS Midco Limited, which is a related party. During the year ended 31 March 2016 the company entered a further loan agreement for a principal loan of £3.0 million which accrued interest of £0.1 million. Unpaid interest on loans with the Parent company amounting to £3.1 million compounded and became part of the principal.

During the 38 week period ended 31 March 2015, the company entered a loan agreement for a principal loan of £38.4 million which accrued interest of £3.2 million in the year ended 31 March 2016 (2015: £2.0 million). All loans and corresponding accrued interest remain unpaid at the balance sheet date.

During the 38 week period ended 31 March 2015, one of the Group's subsidiaries, Secure Home Purchase Limited, received £0.1 million in error which relates to Secure Home Purchase (2015) Limited, a company for which a director is also a member of the Group's key management personnel. There was a corresponding liability of £0.1 million, payable to Secure Home Purchase 2015 Limited at the period end.

There were no other related party transactions during the period.

22 Financial instrument risks

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in note 16. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

The Group is exposed to market risk through its use of financial instruments and specifically to interest rate risk.

22.1 Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing and is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group has sought to manage this risk through the purchase of an interest rate cap, which caps the variable interest rate on the Group's B loan facility with HSBC at 2.5%. This restricts the exposure on 68% (2015: 67%) of the Group's bank loans with variable interest rates.

The exposure to interest rates for the Group's money market funds are considered immaterial.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 0.5%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Loss for the year/period		Equity	
	£'000	£'000	£'000	£'000
	+0.5%	-0.5%	+0.5%	-0.5%
As at 31 March 2016	**(98)**	**98**	**N/a**	**N/a**
As at 31 March 2015	(64)	64	N/a	N/a

Notes to the consolidated financial statements (continued)

22.2 Credit risk analysis

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	As at 31 March 2016 £'000	As at 31 March 2015 £'000
Classes of financial assets – carrying amounts:		
Cash and cash equivalents	**6,045**	4,636
Trade and other receivables	**5,503**	5,199
Total	**11,548**	9,835

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

The Group's policy is to deal only with creditworthy counterparties. The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. None of the Group's financial assets are secured by collateral or other credit enhancements.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk from any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers and spread evenly across the UK. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.
Cash is placed with a number of banks of high credit rating to reduce the group's exposure to risk on its cash balances.

22.3 Liquidity risk analysis

Liquidity risk is the risk arising from the Group not being able to meet its obligations as they fall due. The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows if available borrowing facilities are expected to be sufficient over the forecast period.

The Group maintains cash to meet its liquidity requirements for 30-day periods at a minimum. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current	Non-current		
As at 31 March 2016	**Within 1 year £'000**	**1 to 5 years £'000**	**Later than 5 years £'000**	**Total £'000**
Bank borrowings	1,520	6,200	16,000	23,720
Parent company loan	-	-	44,470	44,470
Other payables	171	-	-	171
Total	1,691	6,200	60,470	68,361

	Current	Non-current		
As at 31 March 2015	**Within 1 year £'000**	**1 to 5 years £'000**	**Later than 5 years £'000**	**Total £'000**
Bank borrowings	1,040	6,200	17,520	24,760
Parent company loan	-	-	38,398	38,398
Other payables	156	-	-	156
Total	1,196	6,200	55,918	63,314

Notes to the consolidated financial statements (continued)

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

The following table provides an analysis of the financial assets subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 fair value measurements are those derived from valuation techniques that include significant inputs for the asset and liability that are not based on observable market data (unobservable inputs).

31 March 2016	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial liabilities at Fair Value Through Profit or Loss				
Contingent consideration	-	-	(614)	(614)

31 March 2015	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at Fair Value Through Profit or Loss				
Derivative financial instruments	-	17	-	17
Financial liabilities at Fair Value Through Profit or Loss				
Contingent consideration	-	-	(3,346)	(3,346)

The fair value of the contingent consideration is equivalent to the expected cash flows arising from the realisation of certain assets within a group subsidiary, now disclosed as a discontinued operation, net of tax and other associated costs and is therefore valued with reference to this subsidiary's net assets. Management noticed a deterioration in the net assets of this subsidiary during the year ended 31 March 2016 and accordingly, a credit of £972,000 was recorded within exceptional costs in the income statement. This reduced the carrying amount of the liability to its fair value £614,000 (2015; £3,346,000), following cash payments of £1,760,000 during the year.

The derivative financial instruments, whose fair value includes the use of significant other inputs, are valued with reference to a 3-month LIBOR forward curve.

Fair value of assets and liabilities

	31 March 2016		31 March 2015	
	Carrying amount £'000	**Fair value £'000**	Carrying amount £'000	Fair value £'000
Bank loan	**(22,953)**	**(18,382)**	(23,835)	(19,957)

The fair value of the bank loans is calculated by discounting future cash-flows, over the contractually agreed repayment schedule, at prevailing market interest rates.

The carrying amounts of all other financial assets and liabilities in the consolidated financial statements approximates their fair value.

Financial assets used for managing liquidity risk
The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resource and trade receivables. The Group's existing cash resources and trade receivables (see note 11.1) are managed so that they are sufficient to meet its current cash outflow requirements. Cash flows from trade and other receivables are contractually due within six months.

Notes to the consolidated financial statements (continued)

23 Capital management policies and procedures
The Group's capital management objectives are:
• to ensure the Group's ability to continue as a going concern; and
• to provide an adequate return to shareholders

by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to its overall financing structure, ie equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's borrowings from HSBC (see note 16.3) are subject to certain covenant restrictions imposed by the bank, namely gross leverage, fixed charge cover and interest cover. All of these measures exclude the results of the subsidiary Secure Home Purchase Limited, which is classified as a discontinued operation in these consolidated financial statements. These covenants have been fully complied with during the year ended 31 March 2016 (38 week period ended 31 March 2015: full compliance).

24 Non-cash transactions during the period.
There were not any non-cash transactions during the year ended 31 March 2016.

During the 38 week period ended 31 March 2015, the principal non-cash transactions were the issue of ordinary shares and loan notes as consideration for the acquisition of Washbrook Capital Limited, as discussed in note 19.

25 Discontinued operations
Subsequent to its acquisition of Washbrook Capital Limited and its subsidiaries in the 38 weeks ended 31 March 2015, the Company took a decision to terminate the property trading activities of Secure Home Purchase Limited (SHP), a group subsidiary, and to wind down the company. SHP was placed in to voluntary liquidation on 24 December 2015. Management deemed this operation to be closed during the year and in accordance with IFRS 5, the results and cash flows from this subsidiary have been classified as a discontinued operation.

The results of SHP have been presented as a single line in the consolidated statement of comprehensive income. Statements of comprehensive income for SHP are presented below.

	Year ended 31 March 2016 £'000	**38 weeks ended 31 March 2015 £'000**
Revenue	**1,091**	10,767
Cost of sales	**(1,179)**	(10,870)
Gross loss	**(88)**	(103)
Administrative expenses	**(238)**	(606)
Operating loss	**(326)**	(709)
Finance costs	-	(142)
Loss before tax	**(326)**	(851)
Taxation	**(17)**	16
Loss for the year / period	**(343)**	(835)

The operating loss for the year arose mostly as a result of the company writing-off of inter-company balances with other Group companies prior to the appointment of a liquidator. During the year SHP paid £1,760,000 in dividends to previous owners of the business, representing deferred consideration.

Notes to the consolidated financial statements (continued)

26 Ultimate controlling party

The ultimate controlling party is the Palamon Auxiliary Partnership 2013 fund, managed by Palamon Capital Partners LP, which owns the majority of the shares in the ultimate parent company on behalf of various funds.

UKLS Topco Limited, a company registered in Jersey, is the parent undertaking of the largest 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.

Independent auditors' report to the members of UKLS Acquisitions Limited

Report on the parent company financial statements

Our opinion

In our opinion, UKLS Acquisitions Limited's parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the parent company's affairs as at 31 March 2016;
- 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 Financial Statements (the "Annual Report"), comprise:

- the Parent company balance sheet as at 31 March 2016;
- the Parent company 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 Strategic Report and 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 by the parent company, 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.

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 7, 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.

Independent auditors' report to the members of UKLS Acquisitions Limited (continued)

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 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 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.

Other matter

We have reported separately on the group financial statements of UKLS Acquisitions Limited for the year ended 31 March 2016.

Neil Philpott

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

10 August 2016.

Parent company balance sheet
As at 31 March 2016

	Note	As at 31 March 2016 £'000	As at 31 March 2015 £'000
Fixed assets			
Investments in subsidiaries	2	**38,307**	38,307
Current assets			
Trade and other receivables	3	**34,979**	31,914
Total assets		**73,286**	70,221
Creditors: amounts falling due within one year			
Borrowings	6	**(1,362)**	(882)
Creditors	5	**(13,553)**	(11,935)
		(14,915)	(12,817)
Total assets less current liabilities		**58,371**	57,404
Creditors: amounts falling due after one year			
Borrowings	6	**(66,061)**	(61,351)
Net liabilities		**(7,690)**	(3,947)
Equity			
Ordinary shares		-	-
Share premium		773	773
Retained losses		**(8,463)**	(4,720)
Total shareholders' funds		**(7,690)**	(3,947)

The registered number of the company is 09117397.

The financial statements on pages 45 to 51 were approved by the directors on 10 August 2016 and are signed on their behalf by:

N A Berry
Director

Parent statement of changes in equity

	Ordinary shares £'000	Share premium £'000	Retained loss £'000	Total shareholders' funds £'000
Balance at 4 July 2014	-	-	-	-
Loss for the period	-	-	(4,720)	(4,720)
Other comprehensive income	-	-	-	-
Total comprehensive expense	-	-	**(4,720)**	**(4,720)**
Proceeds from shares issued	-	773	-	773
Balance at 31 March 2015	-	773	(4,720)	(3,947)
Loss for the year	-	-	(3,743)	**(3,743)**
Other comprehensive income	-	-	-	-
Total comprehensive expense	-	-	**(3,743)**	**(3,743)**
Balance at 31 March 2016	-	773	(8,463)	(7,690)

Notes to the parent company financial statements

1 Summary of accounting policies

Basis of accounting

The separate financial statements of the Company have been prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention.

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

Income statement

No income statement is presented for UKLS Acquisitions Limited as provided by Section 408 of the Companies Act 2006. The Company's loss for the financial year/period, determined in accordance with the Act, was £3,743,000 (38 weeks ended 31 March 2015: £4,720,000) and is included in the Group profit for the year/period.

The auditors' remuneration for audit services to the Company was £7,000 (38 weeks ended 31 March 2015: £6,000).

The directors were not remunerated by the parent company in either this year or the prior period.

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)
- IAS 7, 'Statement of cash flows'
- 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

Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

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

The Group's 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.

Notes to the parent company financial statements (continued)

1 Summary of accounting policies (continued)

Going Concern

After assessing the forecasts and liquidity of the Company for the next financial year the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In addition the Company has received confirmation from its ultimate parent Palamon Auxiliary Partnership 2013 fund, managed by Palamon Capital Partners LP, that they do not intend to recall or request payment of its shareholder loan notes within UKLS Acquisitions Limited within the next 12 months and has given its intention to providing continuing support to the Company for at least the next 12 months.

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2 Investment in subsidiaries

	Investment in subsidiaries £'000
Cost and net book amount	
At 4 July 2014	-
Acquisition of Washbrook Capital Limited	38,307
At 31 March 2016 and 31 March 2015	**38,307**

The directors deem that the carrying value of the investment is appropriate and no impairment is due.

At 31 March 2016, the company held the following share capital of the following undertakings:

	Class of share capital	**Proportion held**	**Nature of business**
Direct ownership			
Washbrook Capital Limited	Ordinary	100%	Holding company
Indirect ownership			
Move with Us (2012) Limited	Ordinary	100%	Holding company
Move with Us Limited	Ordinary	100%	Holding company
Partners in Property (UK) Limited	Ordinary	100%	Management services for the property sales industry
Move with Us Conveyancing Limited	Ordinary	100%	Provision of conveyancing services for residential house sales
Secure Home Purchase Limited	Ordinary	100%	Property trading
Secure Legal Solutions Limited	Ordinary	100%	Dormant
Dorling Cottrell Limited	Ordinary	100%	Licensed conveyancer
Secure Maintenance Services Limited	Ordinary	100%	Dormant
Move with Us Mortgages Limited	Ordinary	100%	Dormant
Move with Us Financial Services Limited	Ordinary	100%	Dormant
Partners in Property Limited	Ordinary	100%	Dormant
PRIAM Asset Management Limited	Ordinary	100%	Dormant
Plant Newco Limited	Ordinary	100%	Dormant
Law Firm Network Limited	Ordinary	100%	Dormant
Secure Executor Lending Limited	Ordinary	100%	Dormant
Chorus Law Group Limited	Ordinary	100%	Holding Company
Simplify Channel Limited	Ordinary	100%	Provision of advice to personal representatives of deceased estates
Chorus Law Limited	Ordinary	100%	Provision of legal services
Hinckley & Hunt Company Limited	Ordinary	100%	Dormant
Bereavement advice Centre	Ordinary	100%	Dormant
Independent Trust Corporation Limited	Ordinary	100%	Dormant
Inform Once Limited	Ordinary	100%	Dormant
Hinckley & Hunt Executor Company Limited	Ordinary	100%	Dormant

All subsidiaries were incorporated in the United Kingdom, which is also the principal place of business.

Notes to the parent company financial statements (continued)

3 Trade and other receivables

	31 March 2016 £'000	31 March 2015 £'000
Amounts due from related parties	**34,946**	31,864
Deferred tax	**7**	7
Other debtors	**26**	43
	34,979	31,914

Amounts due from related parties of £3,000,000 (2015: £nil) fall due after more than one year. This balance attracts interest at 8%, compounding annually, and is due to be repaid in full in November 2025. All other amounts due from related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

4 Deferred taxation

The movement in deferred taxation during the year and the prior period was:

	Other short-term temporary differences £'000	**Total** £'000
At 4 July 2014	-	-
Credit to income	7	7
At 31 March 2016 and 31 March 2015	7	7

There are no unused tax losses or tax credits.

5 Creditors: amounts falling due within one year

	31 March 2016 £'000	31 March 2015 £'000
Amounts due to group undertakings	**10,541**	6,438
Amounts due to Parent Company	**2,227**	1,978
Other payables	**171**	173
Deferred consideration	**614**	3,346
	13,553	11,935

Amounts due to group undertakings and to Company's parent are unsecured, interest free, have no fixed date of repayment and are payable on demand.

Notes to the parent company financial statements (continued)

6 Borrowings

Loans and borrowings comprise:

	31 March 2016 £'000	31 March 2015 £'000
Current		
Bank and other borrowings	**1,362**	882
Non-current		
Bank and other borrowings	**21,591**	22,953
Amounts due to related parties	**44,470**	38,398
	66,061	61,351

The Company holds the following loan and debt facilities:

Instrument	Counterparty	Principal borrowed	Term	Interest rate	Carrying amount 31 March 2016	Carrying amount 31 March 2015
		£'000	Years		£'000	£'000
Facility A loan	HSBC	8,000	6	LIBOR+4.25%	6,483	7,468
Facility B loan	HSBC	16,000	7	LIBOR+4.75%	15,500	15,404
Revolving loan facility	HSBC	1,000	6	LIBOR+4.25%	970	963
Parent company loan	UKLS Midco Ltd.	44,470	10	8.0%	44,470	38,398

The issue costs for the HSBC facilities above amounted to £1,030,000. The loans are shown net of issue costs, which are being amortised over the life of the loan arrangements. The unamortised balance remaining at 31 March 2016 was £767,000 (2015: £925,000).

On 8 October 2014, the Company purchased an interest rate cap, to cap a majority of the LIBOR element of the facility B loan to 2.5%. This instrument expires on 30 July 2017.

During the year ended 31 March 2016, unpaid interest on loans with the Parent company amounting to £3,072,000 compounded and became part of the principal. The Company also entered in to a further loan agreement with it's Parent company for a principal amount of £3,000,000.

7 Share capital

	Authorised, allotted, issued and paid 31 March 2016 No.	31 March 2015 No.
A ordinary shares of £1 each	21	21
B ordinary shares of £0.0001 each	772,583	772,583
Total number of shares	772,604	772,604
	£	£
Total nominal value of shares	98	98

The ordinary shares of the Company are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

A summary of the movements in the period is detailed in the following table:

	Number of shares
At 4 July 2014	-
Number of A ordinary shares subscribed on incorporation	1
Number of A ordinary shares issued on the acquisition of Washbrook	20
Number of B ordinary shares issued during the period	772,583
At 31 March 2016 and 31 March 2015	772,604

Notes to the parent company financial statements (continued)

8 Related party transactions

The company has taken advantage of the exemption available under FRS 101 not to disclose transactions with other wholly owned group companies.

The immediate parent company is UKLS Midco Limited. During the year ended 31 March 2016 the company entered a further loan agreement for a principal loan of £3.0 million which accrued interest of £0.1 million. Unpaid interest on loans with the Parent company amounting to £3.1 million compounded and became part of the principal.

During the 38 week period ended 31 March 2015, the company entered a loan agreement for a principal loan of £38.4 million which accrued interest of £3.2 million in the year ended 31 March 2016 (2015: £2.0 million). All loans and corresponding accrued interest remain unpaid at the balance sheet date.

The ultimate controlling party is the Palamon Auxiliary Partnership 2013 fund, managed by Palamon Capital Partners LP, which owns the majority of the shares in the ultimate parent company on behalf of various funds.

UKLS Topco Limited, a company registered in Jersey, is the parent undertaking of the largest 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.

9 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 4 July 2014, the date on which the Company was incorporated. 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".

Adopting FRS 101 has not resulted in a change to the entity's financial position or financial performance in the current or previous year.