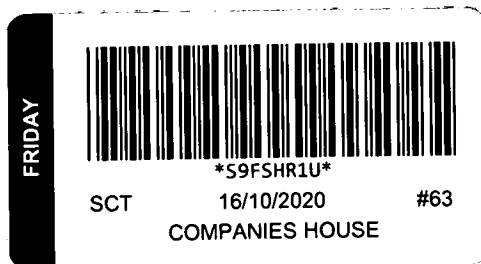


Company Registration No. SC096863 (Scotland)

**THE LEGAL SERVICES CENTRE
LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2019



THE LEGAL SERVICES CENTRE LIMITED

COMPANY INFORMATION

Directors	RB Clapham SA Campbell D McDonald
Secretary	DA Cumine
Company number	SC096863
Registered office	Venlaw 349 Bath Street Glasgow United Kingdom G2 4AA
Auditor	RSM UK Audit LLP Chartered Accountants 3rd Floor Centenary House 69 Wellington Street Glasgow G2 6HG

THE LEGAL SERVICES CENTRE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 - 14

THE LEGAL SERVICES CENTRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of property investment.

Review of Business

The investment property was revalued at 31 December 2019 resulting in a revaluation loss of £25,000 (2018 - loss £18,496). The directors intend to continue holding the investment property as a long term investment.

The prior year comparative represents 6 months period to 31 December 2018. The directors changed the accounting period date as part of a restructuring process and as such the comparative figures are not comparable.

Post reporting date events

Since our year end, the COVID-19 pandemic has caused significant social and economic issues in the UK and globally. As a company operating in the investment property sector, we have assessed the risks to our business arising from this issue. The directors believe that while this may have impacted the company's trade in the short term, they have confidence the company will continue to trade successfully in the long term. Our consideration of the impact on the Going Concern assumption applied in the financial statements is summarised in note 1.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

RB Clapham
SA Campbell
D McDonald

Results and dividends

The profit after taxation for the year ended 31 December 2019 is £169,702 (2018 loss - £37,641). The results for the year are set out on page 6. The directors recommended no final dividend for the year ended 31 December 2019.

Qualifying third party indemnity provisions

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

Auditor

RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue to act as auditors to the company.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

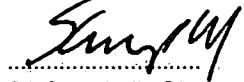
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

THE LEGAL SERVICES CENTRE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

On behalf of the board



SA Campbell - Director

Date: 7/10/20

THE LEGAL SERVICES CENTRE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

THE LEGAL SERVICES CENTRE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE LEGAL SERVICES CENTRE LIMITED

Opinion

We have audited the financial statements of The Legal Services Centre Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern principally in respect of the breach of its parent's loan to value covenants and the required support from its debt provider. This condition indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

THE LEGAL SERVICES CENTRE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE LEGAL SERVICES CENTRE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Linda Gray (Senior Statutory Auditor)
For and on behalf RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date: 8 October 2020

THE LEGAL SERVICES CENTRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

		Year ended 31 December 2019 £	Period ended 31 December 2018 £
	Notes		
Revenue		239,395	121,603
Cost of sales		(48,869)	(15,034)
Gross profit		190,526	106,569
Administrative expenses		(84)	(5,519)
Fair value loss on revaluation of investment property		(25,000)	(18,496)
Operating profit	4	165,442	82,554
Investment income		10	5
Profit before taxation		165,452	82,559
Tax on profit	6	4,250	(120,200)
Profit/(loss) and total comprehensive income for the financial year		169,702	(37,641)

THE LEGAL SERVICES CENTRE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Non-current assets					
Investment properties	7		2,065,000		2,090,000
Current assets					
Trade and other receivables	8	15,593,580		15,476,060	
Cash and cash equivalents		166,709		175,841	
		15,760,289		15,651,901	
Current liabilities	9	(80,843)		(115,987)	
Net current assets			15,679,446		15,535,914
Total assets less current liabilities			17,744,446		17,625,914
Provisions for liabilities	10		(181,319)		(185,569)
Net assets			17,563,127		17,440,345
Equity					
Called up share capital	11		100		100
Retained earnings			17,563,027		17,440,245
Total equity			17,563,127		17,440,345

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 7/10/20 and are signed on its behalf by:



SA Campbell - Director

Company Registration No. SC096863

THE LEGAL SERVICES CENTRE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital £	Retained earnings £	Total £
Balance at 1 July 2018	100	17,477,886	17,477,986
Period ended 31 December 2018:			
Loss and total comprehensive income for the period	-	(37,641)	(37,641)
Balance at 31 December 2018	100	17,440,245	17,440,345
Period ended 31 December 2019:			
Profit and total comprehensive income for the period	-	169,702	169,702
Intercompany loan waiver	-	(46,920)	(46,920)
Balance at 31 December 2019	100	17,563,027	17,563,127

THE LEGAL SERVICES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

The Legal Services Centre Limited is a private company limited by shares incorporated in Scotland. The registered office is Venlaw, 349 Bath Street, Glasgow, United Kingdom, G2 4AA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The principal accounting policies adopted are set out below.

1.2 Going concern

The company relies on continued support from the parent as a result of debts due. At 31 December 2019 the parent continued in breach of its loan covenants with its debt provider because of the significant reduction in the market value of the group's property portfolio in previous years.

After ongoing discussion with the debt provider, the directors have an expectation that the debt provider will continue to provide financial support to the group by not seeking repayment of its loan, however there has been no formal waiver of the loan covenant requirements.

In view of the above, the directors have carefully considered the financial position of the group and have concluded that the company will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements based on management projections. Consequently, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

As at the date of the signing of the financial statements, we are aware of the COVID-19 pandemic and the potential impact this could have on the company's ability to trade. The directors continue to monitor the situation closely and have factored the current impact of this into their financial forecasts. Consequently, the directors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

1.3 Revenue

Property rental income is recognised evenly over the lease to which it relates. Surrender premiums received from outgoing tenants prior to the expiry of their leases are included in property rental income when received.

THE LEGAL SERVICES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.4 Investment properties

Investment property is initially measured at cost and subsequently stated at fair value. The gain or loss arising from changes in the fair value are included in the Statement of Comprehensive Income. No depreciation is provided on investment property in line with FRS102 as the director considers that, because investment properties are not held for consumption, but their investment potential, to depreciate them would not give a true and fair view.

1.5 Financial instruments

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

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Lease incentives

Lease incentives which enhance the investment property are added to the cost of the investment property. Where a lease incentive does not enhance the property, it is amortised over the period to the end of the lease term. On new leases with rent free periods, rental income is allocated evenly over the period from the date of the lease commencement to the end of the lease term.

1.9 Reserves

Retained earnings consists of historical profit and losses less dividends and other adjustments.

THE LEGAL SERVICES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and revenue and expenses during the reported period. These estimates and assumptions are based on management's best knowledge at that time. Actual outcomes may differ from the estimates used.

Not all accounting policies require assumptions, however, management consider these are significant in applying to valuation of investment property. Qualified independent valuers have performed these valuations which are based upon assumptions including future rental income and an appropriate discount rate. The valuers use market evidence of transaction prices for similar properties.

3 Revenue

Revenue represents the value of rental income during the year, excluding value added tax and arises solely within the United Kingdom.

4 Operating profit

	2019 £	2018 £
Operating profit for the period is stated after charging:		
Fair value loss on revaluation of investment property	25,000	18,496

The audit fees for 2019 and 2018 are charged to and met by a fellow subsidiary under common control within the group.

5 Employees

There were no staff costs for the year ended 31 December 2019 nor for the year ended 31 December 2018.

The directors are remunerated by fees charged to the ultimate parent company, Regional REIT Limited.

6 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	-	(31,599)
Deferred tax		
Origination and reversal of timing differences	(4,250)	151,799
Total tax (credit)/charge	(4,250)	120,200

THE LEGAL SERVICES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	165,452	82,559
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	31,436	15,686
Tax effect of expenses that are not deductible in determining taxable profit	4,750	3,514
Gains not taxable	(4,750)	175,318
Group relief	(36,186)	(19,200)
Under/(over) provided in prior years	-	(31,598)
Deferred tax adjustments in respect of prior years	-	(5,064)
Adjust deferred tax to average rate	500	(18,456)
Taxation (credit)/charge for the period	(4,250)	120,200

7 Investment property

	2019 £
Fair value	
At 1 January 2019	2,090,000
Revaluation loss through fair value adjustments	(25,000)
At 31 December 2019	2,065,000

The company's investment property was revalued at 31 December 2019 at fair value, determined by independent chartered surveyor Cushman and Wakefield. The valuations have been prepared in accordance with the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual.

The loss on revaluation of £25,000 (loss - £18,496) has been charged to the Statement of Comprehensive Income.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2019 £	2018 £
Cost	534,097	534,097

THE LEGAL SERVICES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Trade and other receivables

	2019	2018
	£	£
Amounts falling due within one year:		
Trade receivables	34,874	129,161
Corporation tax recoverable	31,599	-
Amounts owed by group undertakings	15,477,233	15,274,153
Other receivables	35,548	65,444
Prepayments and accrued income	14,326	7,302
	<u>15,593,580</u>	<u>15,476,060</u>

9 Current liabilities

	2019	2018
	£	£
Trade payables	22,206	44,989
Taxation and social security	35	-
Other payables	28,211	44,444
Accruals and deferred income	30,391	26,554
	<u>80,843</u>	<u>115,987</u>

10 Provisions for liabilities

	2019	2018
	£	£
Deferred tax liabilities	<u>181,319</u>	<u>185,569</u>

11 Share capital

	2019	2018
	£	£
Ordinary share capital Issued and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

The company's ordinary shares carry no rights to fixed dividends. Each ordinary share carries the right to one vote at General Meetings of the company.

12 Securities & cross-guarantees

The borrowings of View Castle Limited, an intermediate parent undertaking, and certain of its subsidiary undertakings, totalling £42,368,069 (2018 - £42,368,069), are guaranteed by the company. As security for the company's obligations the debt provider holds a standard security over the investment property, a floating charge over the assets and an assignation of the rental income in favour of the debt provider.

THE LEGAL SERVICES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Ultimate controlling party

The company is wholly owned by Squeeze Newco 2 Limited, a company registered in Scotland.

The directors regard Regional REIT Limited, a company registered in Guernsey, as the ultimate controlling party. Regional REIT Limited is the smallest and largest group into which the accounts of the company are consolidated. Copies of the accounts of Regional REIT Limited may be obtained from its registered office, Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey, GY2 4LH and are publicly available on <http://www.regionalreit.com>.