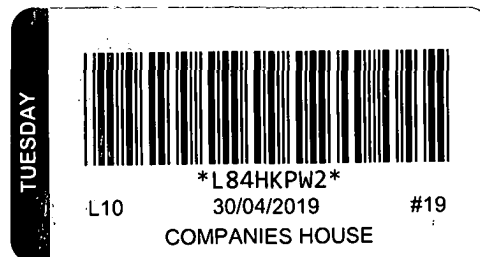


LEGALESE LIMITED

STRATEGIC REPORT, DIRECTOR'S REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2018



LEGALESE LIMITED

COMPANY INFORMATION

Director	J M Pritchard
Company secretary	W Pritchard
Registered number	02015688
Registered office	188 Fleet Street London EC4A 2HT
Independent auditors	Wellers Accountants & Statutory Auditors 1 Vincent Square London SW1P 2PN

LEGALESE LIMITED

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LEGALESE LIMITED

**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 MAY 2018**

Introduction

The principal activity of the Company during the period was property rental whereas in previous years it was that of legal publishing.

Business review

The results for the period and financial position of the Company are shown in the attached financial statements.

Total income for the year ended 31 May 2018 was £798k (2017: £16.82 million). Gross profit for the period amounted to nil (2017: £11.04 million).

Post year end the company has launched the International Arbitration Centre (IAC). Including the highest-spec communications technology and facilities, the IAC has been designed specifically to cater to high-end disputes.

Principal risks and uncertainties

The business faces no specific risks over the coming year, but is exposed to general risks associated with any company and to broader economic trends. Where risks can be identified they have been addressed and actions taken, where possible, to control them.

The Company has no hedging arrangements at 31 May 2018.

The Company's principal financial instruments comprise bank balances, trade creditors, trade debtors and loans from an associated company. The main purpose of these instruments is to raise funds and finance the Company's operations.

The Company's approach to price, credit, liquidity and cash flow risks applicable to the financial instruments concerned is shown below. The Company does not have any credit facilities with its bankers. Any liquidity and cash flow risks are met through the Company maintaining positive cash balances. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The Company utilises loans from a related undertaking which are interest free and repayable on demand. The director is aware of the company's required finance and has determined that this loan will only be repaid, in whole or in part, when finance is available.

At the year end the Company was in a strong financial position with healthy net assets.

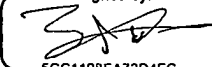
Financial key performance indicators

The key performance indicators are Turnover and net profit before tax. Loss before tax for the period was £451k (2017: Profit before tax £2.34m).

LEGALESE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2018**

This report was approved by the board and signed on its behalf.

DocuSigned by:

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.....
J M Pritchard

Director

Date: 30/4/2019

LEGALESE LIMITED

**DIRECTOR'S REPORT
FOR THE PERIOD ENDED 31 MAY 2018**

The director presents his report and the financial statements for the period ended 31 May 2018.

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The loss for the period, after taxation, amounted to £419,786 (2017 - profit £1,830,170).

No dividends were paid or declared in the year.

Director

The director who served during the period was:

J M Pritchard

Future developments

The Company's publishing activities ceased 31 May 2017. During calendar year 2019 the company launched the International Arbitration Centre.

LEGALESE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2018**

Disclosure of information to auditors

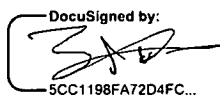
The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Wellers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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.....
J M Pritchard
Director
Date: 30/4/2019

LEGALESE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LEGALESE LIMITED

Opinion

We have audited the financial statements of Legalese Limited (the 'Company') for the period ended 31 May 2018, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 May 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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

LEGALESE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LEGALESE LIMITED (CONTINUED)

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.

Opinion 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 Strategic Report and the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

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 Strategic Report or the Director's Report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

LEGALESE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LEGALESE LIMITED (CONTINUED)

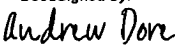
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 Auditors' 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.

DocuSigned by:

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Andrew Dore (Senior Statutory Auditor)

for and on behalf of

Wellers

Accountants

Statutory Auditors

1 Vincent Square

London

SW1P 2PN

Date: 30/4/2019

LEGALESE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MAY 2018**

	Note	12 M/E 31 May 2018 £	13 M/E 31 May 2017 £
Turnover	4	-	16,821,139
Cost of sales		-	(5,774,852)
Gross profit		-	11,046,287
Administrative expenses		(1,249,043)	(8,697,516)
Other operating income		798,088	-
Operating (loss)/profit	6	(450,955)	2,348,771
Interest receivable and similar income		-	73
(Loss)/profit before tax		(450,955)	2,348,844
Tax on (loss)/profit	10	31,169	(518,674)
(Loss)/profit for the financial period		<u>(419,786)</u>	<u>1,830,170</u>

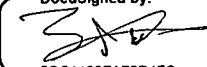
The notes on pages 12 to 23 form part of these financial statements.

LEGALESE LIMITED
REGISTERED NUMBER: 02015688

BALANCE SHEET
AS AT 31 MAY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	16,454,159	16,194,171
		<u>16,454,159</u>	<u>16,194,171</u>
Current assets			
Stocks	12	-	1,847,915
Debtors: amounts falling due within one year	13	1,610,670	3,522,273
Cash at bank and in hand	14	338,046	1,194,760
		<u>1,948,716</u>	<u>6,564,948</u>
Creditors: amounts falling due within one year	15	(5,741,487)	(9,714,143)
Net current liabilities		<u>(3,792,771)</u>	<u>(3,149,195)</u>
Total assets less current liabilities		<u>12,661,388</u>	<u>13,044,976</u>
Provisions for liabilities			
Deferred tax	17	(337,991)	(301,793)
		<u>(337,991)</u>	<u>(301,793)</u>
Net assets		<u><u>12,323,397</u></u>	<u><u>12,743,183</u></u>
Capital and reserves			
Called up share capital	18	300	300
Share premium account		60,775	60,775
Profit and loss account		12,262,322	12,682,108
		<u>12,323,397</u>	<u>12,743,183</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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J M Pritchard

Director

Date: 30/4/2019

The notes on pages 12 to 23 form part of these financial statements.

LEGALESE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MAY 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 May 2016	300	60,775	10,851,938	10,913,013
Comprehensive income for the period				
Profit for the period	-	-	1,830,170	1,830,170
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 June 2017	300	60,775	12,682,108	12,743,183
Comprehensive income for the period				
Loss for the period	-	-	(419,786)	(419,786)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2018	<hr/> 300 <hr/>	<hr/> 60,775 <hr/>	<hr/> 12,262,322 <hr/>	<hr/> 12,323,397 <hr/>

The notes on pages 12 to 23 form part of these financial statements.

LEGALESE LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MAY 2018

	2018 £	2017 £
Cash flows from operating activities		
(Loss)/profit for the financial period	(419,786)	1,830,170
Adjustments for:		
Depreciation of tangible assets	600,036	490,455
Interest received	-	(73)
Taxation charge	(31,169)	518,673
Decrease/(increase) in stocks	1,847,915	(372,103)
Decrease in debtors	2,734,123	267,834
(Decrease) in creditors	(3,352,844)	(5,401,850)
(Decrease)/increase in amounts owed to other creditors	(1,172,482)	6,083,191
Corporation tax (paid)	(202,483)	(426,147)
Net cash generated from operating activities	3,310	2,990,150
Cash flows from investing activities		
Purchase of tangible fixed assets	(995,341)	(3,336,129)
Sale of tangible fixed assets	135,317	-
Interest received	-	73
Net cash from investing activities	(860,024)	(3,336,056)
Net (decrease) in cash and cash equivalents	(856,714)	(345,906)
Cash and cash equivalents at beginning of period	1,194,760	1,540,666
Cash and cash equivalents at the end of period	338,046	1,194,760
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	338,046	1,194,760
	338,046	1,194,760

The notes on pages 12 to 23 form part of these financial statements.

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018**

1. General information

Legalese Limited is a private company limited by shares, registered in England and Wales. The address of the registered office is given on the Company Information page. The registered office is the Company's principal place of business. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1-2.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenues are recognised at the date of the provision of the respective goods or services, with the exception of revenues generated from website advertisements. Where payments are received in advance, they are deferred over the life of the service, until all obligations arising from the income have been discharged. Revenues generated from website advertisements are recognised on the date of advert publication.

Rental Income

Revenue received from the rental of properties is recognised by the company in the period in which the rents become due.

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018**

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long Term Leasehold Property - 0.8% straight line
Short term leasehold property - 4% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

2.5 Stock and Work in progress

The Company does not own any stock. Work in progress includes labour and attributable overhead costs of directories which have not been published at the period end.

At each balance sheet date, work in progress is assessed for impairment. If work in progress cannot be realised for an amount greater than the cost value, the impairment loss is recognised immediately in the statement of comprehensive income.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018**

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans from related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'.

2.11 Pensions

The Company contributes to a defined contribution pension plan for its employees. The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet.

2.12 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.14 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The items in the financial statements where judgments have been made include the useful life of fixed assets and bad debts provisions.

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018**

4. Turnover

An analysis of turnover by class of business is as follows:

	12 M/E 31 May 2018 £	13 M/E 31 May 2017 £
Legal publishing and subscriptions	-	16,821,139
	-	16,821,139

The Company has not disclosed a geographical analysis of turnover as the director considers this information to be commercially sensitive.

5. Other operating income

	12 M/E 31 May 2018 £	13 M/E 31 May 2017 £
Net rents receivable	798,088	-
	798,088	-

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	12 M/E 31 May 2018 £	13 M/E 31 May 2017 £
Depreciation of tangible fixed assets	600,036	306,611
Exchange differences	-	(80,953)
Defined contribution pension cost	-	71,443

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018**

7. Auditors' remuneration

	12 M/E 31 May 2018 £	13 M/E 31 May 2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,000	16,000

8. Employees

Staff costs, including director's remuneration, were as follows:

	12 M/E 31 May 2018 £	13 M/E 31 May 2017 £
Wages and salaries	-	6,624,966
Social security costs	-	769,085
Cost of defined contribution scheme	-	71,443
	-	7,465,494

The average monthly number of employees, including the director, during the period was as follows:

	12 M/E 31 May 2018 No.	13 M/E 31 May 2017 No.
Production staff	-	82
Sales staff	-	39
Administrative staff	-	23
	0	144

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018**

9. Director's remuneration

	12 M/E 31 May 2018 £	13 M/E 31 May 2017 £
Director's emoluments	-	260,000
	<u>-</u>	<u>260,000</u>
	<u>-</u>	<u>260,000</u>

The highest paid director received remuneration of £NIL (2017 - £260,000).

10. Taxation

	12 M/E 31 May 2018 £	13 M/E 31 May 2017 £
Corporation tax		
Current tax on profits for the year	(67,367)	449,456
	<u>(67,367)</u>	<u>449,456</u>
	<u>(67,367)</u>	<u>449,456</u>
Total current tax	<u>(67,367)</u>	<u>449,456</u>
Deferred tax		
Origination and reversal of timing differences	36,198	69,218
	<u>36,198</u>	<u>69,218</u>
Total deferred tax	<u>36,198</u>	<u>69,218</u>
	<u>(31,169)</u>	<u>518,674</u>
Taxation on (loss)/profit on ordinary activities	<u>(31,169)</u>	<u>518,674</u>

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018**

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	12 M/E 31 May 2018 £	13 M/E 31 May 2017 £
(Loss)/profit on ordinary activities before tax	(450,955)	2,348,844
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(85,681)	469,761
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	19	1,490
Capital allowances for period in excess of depreciation	20,681	(18,125)
Other timing differences leading to an increase (decrease) in taxation	(2,386)	(3,670)
Movement in deferred tax provision	36,198	69,218
Total tax charge for the period	(31,169)	518,674

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018

11. Tangible fixed assets

	Long Term Leasehold Property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 June 2017	16,802,082	147,081	838,051	17,787,214
Additions	995,341	-	-	995,341
Disposals	-	(147,081)	(838,051)	(985,132)
At 31 May 2018	17,797,423	-	-	17,797,423
Depreciation				
At 1 June 2017	743,228	109,427	740,387	1,593,042
Charge for the period on owned assets	600,036	-	-	600,036
Disposals	-	(109,427)	(740,387)	(849,814)
At 31 May 2018	1,343,264	-	-	1,343,264
Net book value				
At 31 May 2018	16,454,159	-	-	16,454,159
At 31 May 2017	16,058,854	37,654	97,663	16,194,171

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Long leasehold	16,454,159	16,058,854
	<u>16,454,159</u>	<u>16,058,854</u>

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018**

12. Stocks

	2018 £	2017 £
Work in progress	-	1,847,915
	<u>-</u>	<u>1,847,915</u>

13. Debtors

	2018 £	2017 £
Trade debtors	-	3,024,757
Other debtors	879,089	345,506
Prepayments and accrued income	731,581	152,012
	<u>1,610,670</u>	<u>3,522,275</u>

14. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	338,046	1,194,760
	<u>338,046</u>	<u>1,194,760</u>

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	332,797
Corporation tax	-	178,913
Other taxation and social security	-	214,220
Other creditors	4,911,826	7,883,817
Accruals and deferred income	829,661	1,104,396
	<u>5,741,487</u>	<u>9,714,143</u>

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018**

16. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	338,046	1,194,760
Financial assets that are debt instruments measured through profit or loss	467,784	3,036,735
Financial assets that are equity instruments measured through profit or loss	-	-
	<u>805,830</u>	<u>4,231,495</u>
Financial liabilities		
Financial liabilities measured through profit or loss	<u>(4,052,200)</u>	<u>(6,839,691)</u>

17. Deferred taxation

	2018 £	2017 £
At beginning of year	(301,793)	(232,576)
Charged to profit or loss	(36,198)	(69,217)
At end of year	<u>(337,991)</u>	<u>(301,793)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(337,991)	(301,793)
	<u>(337,991)</u>	<u>(301,793)</u>

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2018**

18. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
750 (2017 - 750) Ordinary shares of £0.10 each	75	75
180 (2017 - 180) Ordinary A shares of £1.00 each	180	180
20 (2017 - 20) Ordinary B shares of £1.00 each	20	20
250 (2017 - 250) Ordinary C shares of £0.10 each	25	25
	<hr/> 300	<hr/> 300
	<hr/> <hr/>	<hr/> <hr/>

19. Transactions with directors

Included within other creditors is £957,706 (2017 - £1,783,109) due to J M Pritchard. No repayment terms or interest chargeable rate has been agreed on this balance due to the director.

20. Related party transactions

J M Pritchard controls and is the sole director of Legalese Limited and Legalease Limited. The Company also rents premises from J M Pritchard. During the year Legalese transferred its trading assets and liabilities to Legalease for £3,122,740. Other transactions with related parties are set out below:

	2018 £	2017 £
Rent paid to JM Pritchard	798,088	865,000
Amount due to Legalease Ltd	3,953,004	6,083,190
Rent income received from Legalease Ltd	798,088	865,000
	<hr/> <hr/>	<hr/> <hr/>

21. Post balance sheet events

During the calendar year 2019 the company launched the International Arbitration Centre.

22. Controlling party

Throughout the current and previous period the company was under the control of J M Pritchard by virtue of his shareholding in the company.