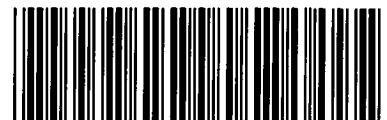


Report of the Directors and
Financial Statements for the Year Ended 31 March 2018
for
Gordon Dadds Group Solicitors Limited
(Formerly Prolegal Solicitors Limited)

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for the Year Ended 31 March 2018

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Gordon Dadds Group Solicitors Limited
(Formerly Prolegal Solicitors Limited)

Company Information
for the Year Ended 31 March 2018

DIRECTORS:

A J Biles
J C M Biles
J M Davy
C J Yates
S P Edwards

SECRETARY:

Gordon Dadds Corporate Services Ltd

REGISTERED OFFICE:

6 Agar Street
London
WC2N 4HN

REGISTERED NUMBER:

10328104 (England and Wales)

AUDITORS:

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Report of the Directors
for the Year Ended 31 March 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

REVIEW OF BUSINESS

The company acquired the files, debtors and work in progress of the business of Prolegal Limited from the administrator of that company in October 2016. It has continued to progress those files and to develop the business using the intellectual property acquired.

The company acquired the business, as a going concern, of Alen-Buckley LLP, a legal services business with focus on property and private client sectors, on 30th June 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

A J Biles
J M Davy
C J Yates

Other changes in directors holding office are as follows:

J C M Biles - appointed 14 July 2017
S P Edwards - appointed 23 May 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Saffery Champness LLP, will be proposed for re-appointment.

ON BEHALF OF THE BOARD:

C J Yates - Director



26 June 2018

Report of the Independent Auditors to the Members of
Gordon Dadds Group Solicitors Limited
(Formerly Prolegal Solicitors Limited)

Opinion

We have audited the financial statements of Gordon Dadds Group Solicitors Limited (Formerly Prolegal Solicitors Limited) (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the company as at 31 March 2018 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101; 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 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.

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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, 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.

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 Report of the Members for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Members has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Gordon Dadds Group Solicitors Limited
(Formerly Prolegal Solicitors 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 Report of the Directors.

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 from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Auditors 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 Report of the Auditors.

Saffery Champness LLP

Michael Strong (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

26 June 2018

Statement of Comprehensive Income
for the Year Ended 31 March 2018

		Year Ended 31/3/18 £'000	Period 12/8/16 to 31/3/17 £'000
	Notes		
REVENUE		1,941	874
Administrative expenses		<u>2,000</u>	<u>866</u>
OPERATING (LOSS)/PROFIT		(59)	8
Acquisition costs	5	<u>125</u>	<u>-</u>
		66	8
Interest payable and similar expenses	6	<u>4</u>	<u>1</u>
PROFIT BEFORE TAXATION	7	62	7
Tax on profit	8	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		62	7
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>62</u></u>	<u><u>7</u></u>

Statement of Financial Position
31 March 2018

	Notes	31/3/18 £'000	£'000	31/3/17 £'000	£'000
FIXED ASSETS					
Intangible assets	9		2,123		821
Investments	10		-		-
			2,123		821
CURRENT ASSETS					
Debtors	11	1,275		703	
Cash at bank		<u>59</u>		<u>2</u>	
		1,334		705	
CREDITORS					
Amounts falling due within one year	12	<u>1,730</u>		<u>964</u>	
NET CURRENT LIABILITIES			<u>(396)</u>		<u>(259)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,727		562
CREDITORS					
Amounts falling due after more than one year	13		(1,134)		(189)
PROVISIONS FOR LIABILITIES	15		<u>(24)</u>		<u>(366)</u>
NET ASSETS			<u>569</u>		<u>7</u>
CAPITAL AND RESERVES					
Called up share capital	16		500		-
Retained earnings			<u>69</u>		<u>7</u>
SHAREHOLDERS' FUNDS			<u>569</u>		<u>7</u>

The financial statements were approved by the Board of Directors on 26 June 2018 and were signed on its behalf by:

C J Yates - Director



Gordon Dadds Group Solicitors Limited
(Formerly Prolegal Solicitors Limited) (Registered number: 10328104)

Statement of Changes in Equity
for the Year Ended 31 March 2018

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Changes in equity			
Total comprehensive income	-	7	7
Balance at 31 March 2017	-	7	7
Changes in equity			
Issue of share capital	500	-	500
Total comprehensive income	-	62	62
Balance at 31 March 2018	500	69	569

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2018

1. STATUTORY INFORMATION

Gordon Dadds Group Solicitors Limited (Formerly Prolegal Solicitors Limited) is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has prepared its business plan on a conservative basis and is satisfied that on the basis that its business plan is achieved, adequate financial resources will be available to it until at least 12 months after the approval date of the financial statements. Accordingly the financial statements have been prepared on the going concern basis.

The company's financial statements have been consolidated in the group accounts of Gordon Dadds Group plc. The group accounts of Gordon Dadds Group plc are available to the public and can be obtained from the Registrar of Companies or from the Company Secretary at Llanmaes, St. Fagans, Cardiff, CF5 6DU.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Turnover

Turnover represents amounts chargeable, excluding value added tax, in respect of legal services provided to clients during the year. Income is recognised when the Company has performed services in accordance with the agreement with the relevant client and has obtained the right to consideration for these services. Where such income has not been billed at the balance sheet date, it is included as accrued income.

Revenue in respect of contingent fee assignments, over and above any agreed minimum fee, is recognised when the contingent event occurs. Where such contingent event has not occurred at the balance sheet date, it is included as accrued income based on a best estimate taking into work undertaken on the portfolio of cases.

Interest income is recognised on a time-proportion basis using the effective interest method.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is initially measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

The company tests annually whether goodwill has suffered any impairment. The carrying value of the goodwill is dependent on the future income stream from that asset.

Goodwill recognised in a business combination does not generate cash flows independently of other assets or groups of assets. As a result, the recoverable amount, being the value in use, is determined at a cash generating unit (CGU) level.

The determination of a CGU is judgemental. The identification of CGU's involves an assessment of whether the asset or group of assets generate independent cash flows.

For impairment purposes goodwill is tested annually at the CGU level. This was carried out at the 31st March 2018.

Intangible fixed assets

Intangible assets are comprised of the intellectual property of the company and are valued at cost less subsequent amortisation and impairment. The intellectual property is amortised at a rate in order to write off the asset on a straight line basis over its estimated useful life.

Intellectual property - 10 years on a straight line basis.

The intangible asset of intellectual property valued at £189,000 is recognised in note 9 as part of the fair value of the assets and liabilities acquired from Prolegal Limited (In Administration).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on trade date when the company becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not at fair value through profit and loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are derecognised on trade date when the company is no longer a party to the contractual provisions of the instrument.

Financial assets are included on the balance sheet as trade and other receivables and cash and cash equivalents.

Financial liabilities are included on the balance sheet as trade and other payables and borrowings.

Trade receivables

Trade receivables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

Trade payables

Trade payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

Interest-bearing borrowings

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Business Combinations

The company applies the acquisition method of accounting to account for business combinations in accordance with IFRS 3 (R), 'Business Combinations'. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the company's share of the identifiable net assets acquired is recorded as goodwill. All transaction related costs are expensed in the period they are incurred as operating expenses. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the statement of comprehensive income.

Any contingent consideration to be transferred by the company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in the income statement.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Provisions

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Critical accounting estimates, judgements and assumptions

Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) **Impairment of receivables**

Receivables are held at cost less provisions for impairment. Provisions for impairment represent an allowance for doubtful debts that is estimated, based on current observable data and historical trend.

(b) **Other receivables**

Other receivables represent unbilled amounts for client work and are measured initially at fair value and held at amortised cost less provisions for foreseeable losses based upon current observable data and historical trend.

(c) **Estimated impairment of goodwill**

The company tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

3. **SEGMENTAL REPORTING**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. There is only one business segment being the provision of legal services.

A geographical segment is a group of assets and operations engaged in providing products or services subject to risks and returns based on a geographical location. There is only one geographical segment, being the United Kingdom

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

4. **EMPLOYEES AND DIRECTORS**

The average number of employees during the period excluding the directors, was as follows:-

	Year ended 31/3/18	Period ended 31/3/17
Fee earner	6	6
Support staff	4	4
	<u>10</u>	<u>10</u>

The aggregate staff costs during the period was as follows:

	31/3/18 £000	31/3/17 £'000
Wages and salaries	305	270
Compulsory social security contributions	41	27
Employee benefit costs	17	3
Pension costs	12	-
	<u>375</u>	<u>300</u>

During the year directors received remuneration and benefits totalling £33,764 (2017: £Nil) and company pension contributions of £750 (2017: £Nil). The number of directors for whom retirement benefits are accruing under defined contribution schemes was one (2017: None).

5. **NON-RECURRING COSTS**

Non-recurring costs are made up of the costs relating to actual and potential acquisitions made by the company.

During the year, a provision for acquisition costs relating to the acquisition of Prolegal Limited (in Administration) totalling £221,453 was released.

Other acquisition costs totalling £96,645 were recognised during the year.

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year Ended 31/3/18 £'000	Period 12/8/16 to 31/3/17 £'000
Loan interest	<u>4</u>	<u>1</u>

7. **PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging:

	Year Ended 31/3/18 £'000	Period 12/8/16 to 31/3/17 £'000
Other operating leases	-	12
Intellectual Property amortisation	28	-
Auditors' remuneration	<u>17</u>	<u>4</u>

8. **TAXATION**

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 March 2018 nor for the period ended 31 March 2017.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

8. **TAXATION - continued**

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31/3/18 £'000	Period 12/8/16 to 31/3/17 £'000
Profit before income tax	<u>62</u>	<u>7</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	12	1
Effects of:		
Tax losses utilised/group relief	(12)	(1)
	<u>—</u>	<u>—</u>
Tax expense	<u>-</u>	<u>-</u>

9. **INTANGIBLE FIXED ASSETS**

	Goodwill £'000	Other intangible assets £'000	Totals £'000
COST			
At 1 April 2017	632	189	821
Additions	<u>1,330</u>	<u>-</u>	<u>1,330</u>
At 31 March 2018	<u>1,962</u>	<u>189</u>	<u>2,151</u>
AMORTISATION			
Charge for year	<u>-</u>	<u>28</u>	<u>28</u>
At 31 March 2018	<u>-</u>	<u>28</u>	<u>28</u>
NET BOOK VALUE			
At 31 March 2018	<u>1,962</u>	<u>161</u>	<u>2,123</u>
At 31 March 2017	<u>632</u>	<u>189</u>	<u>821</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

9. **INTANGIBLE FIXED ASSETS - continued**

Intellectual Property

The amortisation charge for the year in respect of intangible assets is recognised in administrative expenses within the statement of comprehensive income.

Goodwill

Goodwill arising on the acquisition of Prolegal Limited (In Administration) totalling £632,314 is recognised as the consideration due less the fair value of the assets acquired after deducting the liabilities acquired.

Acquisitions

During the year ended 31 March 2018 Gordon Dadds Group Solicitors Limited (Formerly Prolegal Solicitors Limited) acquired the trade and certain assets of Alen-Buckley LLP, a UK-based legal services business focusing on property and private client, for a total consideration of £1.510m. The fair value of the net assets and liabilities acquired by the company was net assets of £180,000. Goodwill of £1.330m was recognised in accounting for the acquisition.

Following the acquisition, the trade of Alen-Buckley LLP was transferred to a new subsidiary, Prolegal (Alen-Buckley) Limited.

Acquisition-related costs of £26,872 relating to the acquisition of Alen-Buckley LLP are included in acquisition costs in the profit or loss.

The fair value of the assets acquired were as follows:-

	Alen-Buckley LLP
	£'000s
Trade and other receivables	180
Cash and cash equivalents	-
Trade and other payables	-
Contingent liabilities	-
Net identifiable assets and liabilities	180
Goodwill	1,330
Total consideration	1,510
Satisfied by:	
Cash	9
Contingent and deferred consideration	1,501
Total consideration	1,510

10. **INVESTMENTS**

On 31 March 2018, Gordon Dadds Group Solicitors Limited (Formerly Prolegal Solicitors Limited) acquired control over Prolegal (Alen-Buckley) Limited. The date of acquisition was 22nd June 2017. The company acquired 100% of the share capital for £1.

Companies	Principal activity	% of holding	Class of capital
Prolegal (Alen-Buckley) Limited	Professional services	100%	Ordinary shares

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/3/18	31/3/17
	£'000	£'000
Trade debtors	549	178
Accrued income	709	492
Other debtors	17	33
	<u>1,275</u>	<u>703</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/18	31/3/17
	£'000	£'000
Other loans (see note 14)	-	38
Trade creditors	318	157
Amounts owed to group undertakings	903	697
Social security and other taxes	20	13
VAT	64	-
Deferred consideration <1 yr	296	-
Accruals and deferred income	129	59
	<u>1,730</u>	<u>964</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/3/18	31/3/17
	£'000	£'000
Other loans (see note 14)	189	189
Deferred consideration >1 yr	<u>945</u>	<u>-</u>
	<u>1,134</u>	<u>189</u>

14. FINANCIAL LIABILITIES - BORROWINGS

	31/3/18	31/3/17
	£'000	£'000
Current:		
Other loans	<u>-</u>	<u>38</u>
Non-current:		
Other loans - 1-2 years	<u>189</u>	<u>189</u>
Terms and debt repayment schedule		
		2-5 years
Other loans		<u>189</u>

The other non current loan represents a loan owed to Simon Edwards Pension Scheme. The loan is unsecured, has a repayment term of within 3 years from the date of drawdown and bears interest of 3% per annum.

15. PROVISIONS FOR LIABILITIES

	31/3/18	31/3/17
	£'000	£'000
Other provisions	<u>24</u>	<u>366</u>
		Other provisions
		£'000
Balance at 1 April 2017		366
Provided during year		28
Credit to Statement of Comprehensive Income during year		(255)
Utilised during year		<u>(115)</u>
Balance at 31 March 2018		<u>24</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

15. **PROVISIONS FOR LIABILITIES - continued**

Other provisions relate to the potential liability in respect of the acquisition costs in relation to the acquisition of Prolegal Limited (In Administration) totalling £4,108 (2017: £365,614) and uninsured excess on potential claims totalling £20,100 (2017: £Nil). The quantum of the potential liability is computed based on the maximum contractual liability.

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/3/18 £'000	31/3/17 £'000
500,001	Ordinary	£1	<u>500</u>	<u>-</u>

500,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

All shares rank equally as regards dividends, other distributions and returns of capital. All shares each carry the right to one vote.

17. **RESERVES**

The profit and loss reserve represents the cumulative realised profits or losses net of dividends paid and other adjustments.

18. **RELATED PARTY DISCLOSURES**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

During the year, the company was charged fees by James Stocks & Co Limited, an associate undertaking of Gordon Dadds Group plc, consultancy fees totalling £1,500 (2017: £1,543). At the year end the company owed £Nil (2017: £1,543) to James Stocks & Co Limited.

During the year, the company was charged by GD Financial Markets LLP, a fellow subsidiary undertaking of Gordon Dadds Group plc, consultancy fees totalling £13,300 (2017: £18,533).

During the year, the company was charged by e.Legal Technology Solutions Limited, a fellow subsidiary undertaking of Gordon Dadds Group plc, IT consultancy fees totalling £61,473 (2017: £164,803). At the year end the company owed £17,321 to e.Legal Technology Solutions Limited.

At the year end, the company owed Simon Edwards Pension Scheme £189,000 (2017: £189,000).

At the year end the company owed £89,121 (2017: £Nil) to fellow group entities of Gordon Dadds Group plc.

19. **ULTIMATE CONTROLLING PARTY**

The ultimate parent company is Gordon Dadds Group plc, a company incorporated in England and Wales. Gordon Dadds Group plc is owned by its shareholders and there is no ultimate controlling party.

These financial statements provide information about Gordon Dadds Group Solicitors Limited (Formerly Prolegal Solicitors Limited) as an individual undertaking. Copies of the consolidated financial statements of Gordon Dadds Group plc, the largest group of undertakings that consolidates the financial statements of Gordon Dadds Group Solicitors Limited (Formerly Prolegal Solicitors Limited) as at 31 March 2018, can be obtained from the Company Secretary at 6 Agar Street, London, WC2N 4HN.