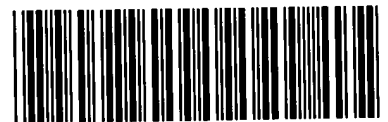

WILSON LEGAL UK LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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WILSON LEGAL UK LTD

COMPANY INFORMATION

Director	Bruce Alexander Wilson
Registered number	08829621
Registered office	2nd Floor, Waverley House 7-12 Noel Street London W1F 8GQ
Independent auditors	Ecovis Wingrave Yeats LLP Chartered Accountants and Statutory Auditors 2nd Floor, Waverley House 7-12 Noel Street London W1F 8GQ

WILSON LEGAL UK LTD

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WILSON LEGAL UK LTD
REGISTERED NUMBER: 08829621

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	7	746	2,186
		<u>746</u>	<u>2,186</u>
Current assets			
Debtors: amounts falling due within one year	8	50,268	72,743
Bank and cash balances		3,551	36,306
		<u>53,819</u>	<u>109,049</u>
Creditors: amounts falling due within one year	9	(1,455,242)	(963,825)
Net current liabilities		<u>(1,401,423)</u>	<u>(854,776)</u>
Total assets less current liabilities		<u>(1,400,677)</u>	<u>(852,590)</u>
Net liabilities		<u>(1,400,677)</u>	<u>(852,590)</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		(1,401,677)	(853,590)
Shareholders' deficit		<u>(1,400,677)</u>	<u>(852,590)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2018.



Bruce Alexander Wilson
Director

The notes on pages 3 to 10 form part of these financial statements.

WILSON LEGAL UK LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	1,000	(439,173)	(438,173)
Loss for the year	-	(414,417)	(414,417)
At 1 January 2017	1,000	(853,590)	(852,590)
Loss for the year	-	(548,087)	(548,087)
At 31 December 2017	1,000	(1,401,677)	(1,400,677)

The notes on pages 3 to 10 form part of these financial statements.

WILSON LEGAL UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Wilson Legal UK Limited is a private company, limited by shares, incorporated in England and Wales, registration number 08829621. The registered address is 2nd Floor, Waverley House, 7-12 Noel Street, London, W1F 8GQ.

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 Section 1A of 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 Going concern

The financial statements have been prepared on a going concern basis notwithstanding a loss for the year of £548,087 (2016 - £414,417 loss) and net liabilities of £1,400,677 (2016 - £852,590 net liabilities).

The director believes it is appropriate to prepare the financial statements on a going concern basis for the following reasons:

- The parent company has indicated its willingness to support the Company for period of at least 12 months from the date the financial statements have been approved;
- The aspiration of the parent company is to make a return on their capital employed in the Company and it is their intention to support the Company over the long term;
- The improving financial position of the Group which the director believes, with the support of debt providers, will enable sufficient capital to be provided for working capital;
- New recurring customers that have been acquired by the business;
- A merger undertaken by the Group with a profitable company which will provide the Group with more scale and financial and operational synergies.

Although the director believes it is appropriate to prepare the financial statements on a going concern basis for the reasons stated, the director recognises that there are material uncertainties that may cast significant doubt on the Company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date that the financial statements are approved. This material uncertainty arises because there are no guarantees that the Company will continue to receive financial support from its parent company, as there are doubts over the parent company's ability to provide this support.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 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. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue 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 revenue 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

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. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.7 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.

The estimated useful lives range as follows:

Computer equipment	- 3 years
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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 Statement of Comprehensive Income.

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, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Prior year adjustment

During the year the Company reclassified costs from within administrative expenses to cost of sales. The impact of this voluntary change on the financial statements is a change to the gross profit of £404,014. There is no impact on overall profit and hence no change to reserves.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

Recognition of deferred tax asset

The Company have not recorded the deferred tax asset of £237,078 (2016 - £144,146) relating to losses and other deductions as there is uncertainty as to when future profits will arise within this Company.

In order to determine whether deferred tax assets should be recognised, judgments are required regarding the extent to which the flow of future economic benefits is sufficiently probable to meet the deferred tax asset recognition criteria. The directors do not consider the recognition of a deferred tax asset is necessary given the uncertainty around the timing and extent of future taxable profits.

4. Taxation

The Company has estimated losses of £1,395,325 (2016 - £849,791) available to offset against future trading profits.

5. Employees

The average monthly number of employees, including directors, during the year was 7 (2016 - 8).

6. Director's remuneration

During the year the director received remuneration of £Nil (2016 - £Nil).

WILSON LEGAL UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2017	10,951
At 31 December 2017	10,951
Depreciation	
At 1 January 2017	8,765
Charge for the year on owned assets	1,440
At 31 December 2017	10,205
Net book value	
At 31 December 2017	746
At 31 December 2016	2,186

WILSON LEGAL UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Debtors

	2017 £	2016 £
Trade debtors	29,530	19,981
Other debtors	10,326	10,322
Prepayments and accrued income	10,412	42,440
	<u>50,268</u>	<u>72,743</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	33,362	12,051
Amounts owed to group undertakings	1,395,070	920,150
Other taxation and social security	5,010	5,974
Other creditors	7,500	20,000
Accruals and deferred income	14,300	5,650
	<u>1,455,242</u>	<u>963,825</u>

10. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	26,642	53,284
Later than 1 year and not later than 5 years	-	26,642
	<u>26,642</u>	<u>79,926</u>

11. Related party transactions

Wilson Legal UK Ltd has taken the exemption under FRS 102 section 33 Related Party Disclosures paragraph 33.1A, whereby the Company is not required to disclose transactions with other wholly owned subsidiaries.

WILSON LEGAL UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Auditors' information

These financial statements are subject to an audit under Part 16 of the Companies Act 2006. The audit report which is not included in these financial statements was unqualified however the auditor has drawn attention to a material uncertainty in regards to going concern. Although the parent company has indicated its willingness to provide financial support to the Company, there are no guarantees that the Company will continue to receive financial support from its parent company due to doubts over the parent company's ability to provide this support.

The audit was undertaken by Ecovis Wingrave Yeats LLP and the Senior Statutory Auditor was Stuart Hinds.