Flosuite Legal Solutions Ltd

Annual Report and Accounts

for the Period from 1 July 2011 to 31 December 2011

Registered number: SC106113



Flosuite Legal Solutions Ltd

Directors' Report for the Period from 1 July 2011 to 31 December 2011

The directors present their report and the audited financial statements of the Company for the Period from 1 July 2011 to 31 December 2011.

Principal activity

The principal activity of the Company was the commissioning and marketing of software products until the business was sold on 1 October 2011 to a fellow group undertaking.

Review of business and likely future developments

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Thomson Reuters Corporation, which include those of the Company, are discussed in the Thomson Reuters Corporation's annual report which does not form part of this report.

The directors of Thomson Reuters Corporation manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Flosuite Legal Solutions Limited.

On the 1 October 2011 the Company disposed of its trade and assets for the consideration of £5,320,000 to a fellow group undertaking.

Results and dividends

The profit after tax for the financial period was £5,288,797 (30 June 2011: £879,177). During the period the directors declared and paid dividends totalling £1,005,000 (30 June 2011: £40,000).

Financial risk management

The management of financial risks is co-ordinated with those undertaken at Group level by Thomson Reuters Corporation. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's and Group's financial performance. More details of the Group's risk management programme can be found in the Thomson Reuters Corporation 2011 Annual Report.

Directors

The directors who held office during the period and up to the date of signing were as follows:

J M Becker (appointed 5 August 2011 and resigned 31 March 2012)

R O Greener (appointed 5 August 2011)

D M Mitchley (appointed 5 August 2011)

H S Shawkat (appointed 5 August 2011)

L Tilsley (resigned 5 August 2011)

A I Wood (resigned 5 August 2011)

Statement of directors' responsibilities

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

Flosuite Legal Solutions Ltd

Directors' Report for the Period from 1 July 2011 to 31 December 2011

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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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Auditors and disclosure of information to the auditors

■ So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and

■ Each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The auditors, Crowe Clark Whitehill LLP, have indicated their willingness to continue in office.

On behalf of the Board

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D M Mitchley
Director

Registered Office:
21 Alva Street
Edinburgh EH2 4PS

Date: 16 August 2012

Independent Auditor's Report to the Members of Flosuite Legal Solutions Ltd

We have audited the financial statements of Flosuite Legal Solutions Ltd for the period from 1 July 2011 to 31 December 2011, which comprise the Profit and Loss account, the Balance Sheet and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

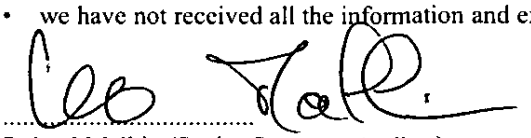
Independent Auditor's Report to the Members of Flosuite Legal Solutions Ltd

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Matters on which we are required to report by exception

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.



Roland Malkin (Senior Statutory Auditor)
For and on behalf of
Crowe Clark Whitehill LLP,
Statutory Auditors
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Date: 16 August 2012

Flosuite Legal Solutions Ltd

Profit and Loss Account for the Period from 1 July 2011 to 31 December 2011

	Note	1 July 2011 to 31 December 2011 £	Year ended 30 June 2011 £
Turnover		214,333	2,304,634
Cost of sales		(6,456)	(477,975)
Gross profit		207,877	1,826,659
Administrative expenses		(147,425)	(736,699)
Operating profit	2	60,452	1,089,960
Profit on sale of business	13	5,229,256	-
Profit on ordinary activities before investment income and interest		5,289,708	1,089,960
Interest receivable and similar income		746	2,217
Profit on ordinary activities before taxation		5,290,454	1,092,177
Tax on profit or loss on ordinary activities	4	(1,657)	(213,000)
Profit for the financial period		5,288,797	879,177

All the activities of the Company are classed as discontinuing following the sale of the business and assets to Thomson Reuters (Professional) UK Limited on 1 October 2011.

The Company has no recognised gains or losses for the period other than the results above, so no seperate statement of total recognised gains and losses to be presented.

There is no difference between the profit on ordinary activities before tax and the retained profit for the financial year stated above and their historical cost equivalents.

Flosuite Legal Solutions Ltd

(Registration number: SC106113)

Balance Sheet at 31 December 2011

	Note	31 December 2011 £	30 June 2011 £
Fixed assets			
Tangible fixed assets	6	-	8,204
Investments	7	-	1,005,000
		-	1,013,204
Current assets			
Debtors: amounts falling due within one year	8	5,320,000	192,436
Cash at bank and in hand		-	661,509
		5,320,000	853,945
Creditors: Amounts falling due within one year	9	-	(830,946)
Net current assets		5,320,000	22,999
Net assets		5,320,000	1,036,203
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	5,319,900	1,036,103
		5,320,000	1,036,203

The financial statements on pages 5 to 15 were approved by the Board of Directors on 16 August 2012 and signed on its behalf by:

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D M Mitchley
Director

The notes on pages 7 to 15 form an integral part of these financial statements.

Flosuite Legal Solutions Ltd

Notes to the Financial Statements for the Period from 1 July 2011 to 31 December 2011

1 Accounting policies

Basis of preparation

On 1 October 2011, the Company sold all of its trade and assets to Thomson Reuters (Professional) UK Limited for consideration of £5,320,000. This resulted in a profit on sale of £5,229,256. The assets and liabilities of the business were sold at book value.

As at the date of sale the Company became a dormant Company. Accordingly, the financial statements of the Company have been prepared on a break-up basis. As such, all assets and liabilities are carried at realisable value.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary company of a group headed by Thomson Reuters Corporation (Thomson Reuters Group), and is included in the consolidated accounts of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption within FRS 1(5)(a) 'Cash Flow Statements (revised 1996)' from preparing a cash flow statement.

The Company is also exempt under the terms of FRS 8(3)(c) 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the Thomson Reuters Group.

A summary of the significant accounting policies, which have been consistently applied throughout the year, is set out below.

Going concern

We acknowledge our duties as directors of the Company set out in the Companies Act 2006 and our more general fiduciary duties, including but not limited to, considering whether any additional cash transfers to group companies, including dividend payments, would impair the ability of the Company to continue as a going concern.

The financial statements disclose all matters of which we are aware that are relevant to the going concern basis of accounting. During the year the Company sold all of its trade and trading assets and thus at the date of the sale the Company became a dormant company. Accordingly, the going concern basis of accounting is no longer appropriate. As such, in the financial statements all assets are recorded at their realisable values, and all liabilities arising from the decision have been provided for.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Software development

Expenditure on software development is written off to profit and loss account in the year in which it is incurred.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write of the assets over their estimated useful lives.

Asset class	Depreciation method and rate
Plant and machinery	33% straight-line

2 Operating profit

Operating profit is stated after charging:

	1 July 2011 to 31 December 2011 £	Year ended 30 June 2011 £
Auditor's remuneration - The audit of the Company's annual accounts	-	7,000
Depreciation of owned assets	1,381	7,741
Directors remuneration	2,222	33,002
Pension costs	11,077	78,210

During the period fees for services from the Company's auditors have been borne by Thomson Reuters (Professional) UK Limited.

During the period the number of directors who were receiving benefits and share incentives was as follows:

	1 July 2011 to 31 December 2011 No.	Year ended 30 June 2011 No.
Accruing benefits under money purchase pension scheme	-	1

3 Employees

Average monthly number of employees (including directors) employed during the period was:

	1 July 2011 to 31 December 2011 No.	Year ended 30 June 2011 No.
Administration	1	3
Editorial	7	13
	8	16

Staff costs during the period amounted to:

	1 July 2011 to 31 December 2011 £	Year ended 30 June 2011 £
Wages and salaries	94,378	468,968
Social security costs	11,716	49,075
Other pension costs	11,077	78,210
	117,171	596,253

4 Taxation

Tax on profit on ordinary activities

The charge is based on the results on ordinary activities before tax and comprises:

	1 July 2011 to 31 December 2011 £	Year ended 30 June 2011 £
Current taxation - current year	3,284	213,000
Current taxation - adjustment in respect of prior years	(1,627)	-
Total current taxation	1,657	213,000
Deferred tax		
Effect of changes in tax rates	70	-
Deferred taxation - adjustment in respect of previous periods	(1,892)	-
Deferred taxation - origination and reversal of timing differences	1,822	-
Total deferred tax (note 13)	-	-
Total tax on profit on ordinary activities	1,657	213,000

The table below reconciles tax calculated at the UK standard rate on the profit on ordinary activities before tax to the actual tax charge recognised in the profit and loss account. The differences were attributed to the following factors:

Factors affecting current tax charge for the period

	1 July 2011 to 31 December 2011 £	Year ended 30 June 2011 £
Profit on ordinary activities before taxation	5,290,454	1,092,177
Corporation tax at standard rate 26.0% (2011: 27.46%)	1,375,518	299,912
Capital allowances for period in excess of depreciation	230	269
Movement in short term timing differences	(1,416)	-
Income not taxable for tax purposes	(1,359,606)	-
Expenses not deductible for tax purposes	-	1,684
Adjustments to tax charge in respect of previous periods	(1,627)	-
Adjustment in research and development tax credit	-	(53,132)
Utilisation of tax losses	-	(35,733)
Group relief received at no cost	(13,979)	-
Transfer pricing imputed interest	2,537	-
Total current tax	1,657	213,000

The Finance Act 2011, which received Royal Assent on 25 July 2011, includes legislation to reduce the main rate of corporation tax from 28% to 26% from 1 April 2011 and from 26% to 25% from 1 April 2012.

In addition to the changes in rates of corporation tax disclosed above a number of further changes to the UK corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was enacted on 18 July 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

5 Dividends

	31 December 2011 £	30 June 2011 £
Dividends paid		
Dividend paid	1,005,000	40,000

6 Tangible assets

	Plant and machinery £	Total £
Cost or valuation		
At 1 July 2011	21,700	21,700
Disposal of business (note 13)	(21,700)	(21,700)
At 31 December 2011	-	-
Depreciation		
At 1 July 2011	13,496	13,496
Charge for the period	1,381	1,381
Disposal of business (note 13)	(14,877)	(14,877)
At 31 December 2011	-	-
Net book value		
At 31 December 2011	-	-
At 30 June 2011	8,204	8,204

7 Investments held as fixed assets

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 July 2011	1,005,000	1,005,000
Disposal of business	(1,005,000)	(1,005,000)
At 31 December 2011	-	-
Net book value		
At 31 December 2011	-	-
At 30 June 2011	1,005,000	1,005,000

On 3 August 2011 the Company paid a dividend to the shareholder of the Company, LAR 2011 Limited. It was resolved that satisfaction of the dividend will be by the way of the transfer by the Company to LAR 2011 Limited, the entire share capital of Infographics UK Limited.

8 Debtors: amounts falling due within one year

	31 December 2011 £	30 June 2011 £
Trade debtors	-	186,749
Other debtors	-	3,287
Amounts owed by fellow group undertakings	5,320,000	2,400
	5,320,000	192,436

Amounts owed by fellow group undertakings are unsecured, non-interest bearing and repayable on demand.

9 Creditors: Amounts falling due within one year

	31 December 2011 £	30 June 2011 £
Trade creditors	-	430,053
Other creditors	-	22,950
Corporation tax payable	-	213,000
Other taxes and social security	-	164,943
	-	830,946

10 Called up share capital

Allotted, called up and fully paid shares

	31 December 2011		30 June 2011	
	No.	£	No.	£
Ordinary shares of £1.00 each	100	100	100	100

11 Reserves

	Profit and loss account £
At 1 July 2011	1,036,103
Profit for the period	5,288,797
Dividends	(1,005,000)
At 31 December 2011	5,319,900

12 Reconciliation of movement in shareholders' funds

	1 July 2011 to 31 December 2011 £	Year ended 30 June 2011 £
Profit attributable to the members of the Company	5,288,797	879,177
Dividends	(1,005,000)	(40,000)
Net addition to shareholders' funds	4,283,797	839,177
Shareholders' funds at start of period	1,036,203	197,026
Shareholders' funds at end of period	5,320,000	1,036,203

13 Disposals

On 1 October 2011 the Company sold the trade and assets of its business for £5,320,000. This resulted in a profit on sale of £5,229,256. The disposal was material, and as a result, it has been treated as a discontinued operation in the profit and loss account. No tax arose on the profit on disposal as it was a transfer between group companies.

	£
Cash at bank	546,738
Tangible assets	6,820
Prepayments	3,318
Debtors	170,006
Creditors	(634,481)
Corporation tax payable	(1,657)
Net assets	90,744
Profit on disposal	5,229,256
Tax on disposal	-
Cash consideration	5,320,000

14 Company status and ultimate parent undertaking

The Company's immediate parent company is Flosuite Solutions (Holdings) Limited. Within the meaning of the Companies Act 2006 ("CA2006"), Thomson Investments Limited ("TIL") is regarded by the Directors of the Company as being the Company's ultimate parent company and controlling party. Within the meaning of CA2006, Thomson Reuters is the parent undertaking of the only group of undertakings for which group accounts were drawn up and of which the Company was a member for the period ended 31 December 2011. TIL and Thomson Reuters are incorporated under the laws of the Province of Ontario, Canada.

Copies of the Thomson Reuters annual reports are available from: The Thomson Reuters Building, South Colonnade, Canary Wharf, London E14 5EP.