

Abbreviated Accounts for the Year Ended 30 September 2014

for

Russell Worth Limited

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for the Year Ended 30 September 2014

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Russell Worth Limited

Company Information
for the Year Ended 30 September 2014

DIRECTORS:

P J Russell
Ms B E Worth

REGISTERED OFFICE:

Ashleigh Way
Langage Park Office Campus
Plympton
Plymouth
PL7 5JX

REGISTERED NUMBER:

7302901 (England and Wales)

AUDITORS:

GLF Richards & Co
Registered Auditor
Unit 8
Connect Business Village
24 Derby Road
Liverpool
Merseyside
L5 9PR

The directors present their strategic report for the year ended 30 September 2014.

REVIEW OF BUSINESS

In 2014 we were successful in achieving our main targets of eliminating counterproductive working procedures, working sources and staff, and we have since introduced a paperless policy with a view to increasing profitability.

We also focused on finding ways to ensure continued profitability given the changes to fees for Personal Injury work practices to maximise income per case, to include the continued restructuring of teams and a focus on increasing the number of issued cases. Going forward we will look to increase our marketing capacity to generate more of our own work to continue to defy the impact of the 2013 Jackson Reforms.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'P J Russell', is written over a horizontal line.

P J Russell - Director

31 December 2014

The directors present their report with the accounts of the company for the year ended 30 September 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing legal services.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2013 to the date of this report.

P J Russell
Ms B E Worth

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, GLF Richards & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



P J Russell - Director

31 December 2014

Report of the Independent Auditors to
Russell Worth Limited
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages five to thirteen, together with the full financial statements of Russell Worth Limited for the year ended 30 September 2014 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

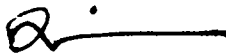
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Donna Parry Richards (Senior Statutory Auditor)
for and on behalf of GLF Richards & Co
Registered Auditor
Unit 8
Connect Business Village
24 Derby Road
Liverpool
Merseyside
L5 9PR

31 December 2014

Russell Worth Limited

Abbreviated Profit and Loss Account
for the Year Ended 30 September 2014

	Notes	30.9.14 £	30.9.13 £
TURNOVER		4,751,653	5,590,268
Other operating income		90,099	73,158
		<hr/>	<hr/>
		4,841,752	5,663,426
Administrative expenses		4,683,329	5,117,544
		<hr/>	<hr/>
OPERATING PROFIT	3	158,423	545,882
Interest receivable and similar income		45	27
		<hr/>	<hr/>
		158,468	545,909
Interest payable and similar charges	4	10,162	12,446
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		148,306	533,463
Tax on profit on ordinary activities	5	29,278	165,255
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		<u>119,028</u>	<u>368,208</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

Abbreviated Balance Sheet
30 September 2014

	Notes	30.9.14		30.9.13	
		£	£	£	£
FIXED ASSETS					
Intangible assets	6		3,200,000		3,400,000
Tangible assets	7		89,189		78,922
			<u>3,289,189</u>		<u>3,478,922</u>
CURRENT ASSETS					
Stocks	8	253,589		1,823,749	
Debtors	9	980,998		624,265	
Prepayments and accrued income		737,048		(10,307)	
Cash at bank and in hand		65,340		135	
		<u>2,036,975</u>		<u>2,437,842</u>	
CREDITORS					
Amounts falling due within one year	10	1,731,178		1,650,924	
NET CURRENT ASSETS			<u>305,797</u>		<u>786,918</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,594,986</u>		<u>4,265,840</u>
CREDITORS					
Amounts falling due after more than one year	11		(1,556,947)		(2,348,050)
PROVISIONS FOR LIABILITIES	14		<u>(16,812)</u>		<u>(15,591)</u>
NET ASSETS			<u><u>2,021,227</u></u>		<u><u>1,902,199</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		2		2
Profit and loss account	16		<u>2,021,225</u>		<u>1,902,197</u>
SHAREHOLDERS' FUNDS	18		<u><u>2,021,227</u></u>		<u><u>1,902,199</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 31 December 2014 and were signed on its behalf by:

P J Russell - Director



Russell Worth Limited

Cash Flow Statement

for the Year Ended 30 September 2014

	Notes	30.9.14 £	£	30.9.13 £	£
Net cash inflow/(outflow) from operating activities	1		1,507,937		(2,266,627)
Returns on investments and servicing of finance	2		(10,117)		(12,419)
Taxation			(163,092)		867
Capital expenditure	2		(41,831)		(46,284)
			1,292,897		(2,324,463)
Financing	2		(791,103)		1,888,009
Increase/(decrease) in cash in the period			501,794		(436,454)

**Reconciliation of net cash flow
to movement in net debt**

	3		
Increase/(decrease) in cash in the period		501,794	(436,454)
Cash outflow/(inflow) from decrease/(increase) in debt		446,500	(1,888,729)
Change in net debt resulting from cash flows		948,294	(2,325,183)
Movement in net debt in the period		948,294	(2,325,183)
Net debt at 1 October		(2,325,183)	-
Net debt at 30 September		(1,376,889)	(2,325,183)

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 30 September 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	30.9.14	30.9.13
	£	£
Operating profit	158,423	545,882
Depreciation charges	231,564	233,274
	-	(2,593,310)
Decrease/(increase) in stocks	1,570,160	(1,823,749)
(Increase)/decrease in debtors	(1,104,088)	920,033
Increase in creditors	651,878	451,243
Net cash inflow/(outflow) from operating activities	1,507,937	(2,266,627)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.9.14	30.9.13
	£	£
Returns on investments and servicing of finance		
Interest received	45	27
Interest element of hire purchase or finance lease rentals payments	(10,162)	(12,446)
Net cash outflow for returns on investments and servicing of finance	(10,117)	(12,419)
Capital expenditure		
Purchase of tangible fixed assets	(41,831)	(46,284)
Net cash outflow for capital expenditure	(41,831)	(46,284)
Financing		
Loan repayments in year	(446,500)	828,688
Amount introduced by directors	-	1,059,321
Amount withdrawn by directors	(344,603)	-
Net cash (outflow)/inflow from financing	(791,103)	1,888,009

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.13 £	Cash flow £	At 30.9.14 £
Net cash:			
Cash at bank and in hand	135	65,205	65,340
Bank overdraft	(436,589)	436,589	-
	<u>(436,454)</u>	<u>501,794</u>	<u>65,340</u>
Debt:			
Debts falling due within one year	(200,000)	-	(200,000)
Debts falling due after one year	<u>(1,688,729)</u>	<u>446,500</u>	<u>(1,242,229)</u>
	<u>(1,888,729)</u>	<u>446,500</u>	<u>(1,442,229)</u>
Total	<u>(2,325,183)</u>	<u>948,294</u>	<u>(1,376,889)</u>

The notes form part of these abbreviated accounts

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Turnover represents net invoiced sales of goods, excluding value added tax. Revenue is recognised as it is earned over time, for all matters which are non-contingent. Referral fees are written off as they are incurred.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2010, is being amortised evenly over its estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 50% on cost, 33% on cost and 20% on cost

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

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

Revenue recognition

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these constants. It is measure at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue is general recognised once 100% liability has been admitted on the non-cfa cases only. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

2. STAFF COSTS

	30.9.14	30.9.13
	£	£
Wages and salaries	1,294,032	1,266,451
Social security costs	-	1,217
	<u>1,294,032</u>	<u>1,267,668</u>

The average monthly number of employees during the year was as follows:

	30.9.14	30.9.13
Directors	2	-
Fee earners	25	-
Administration and accountancy staff	29	-
	<u>56</u>	<u>-</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2014

3. OPERATING PROFIT

The operating profit is stated after charging:

	30.9.14	30.9.13
	£	£
Other operating leases	49,238	54,850
Depreciation - owned assets	31,564	33,274
Goodwill amortisation	200,000	200,000
	<u>28,914</u>	<u>24,000</u>
Directors' remuneration	<u>28,914</u>	<u>24,000</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	30.9.14	30.9.13
	£	£
Hire purchase	<u>10,162</u>	<u>12,446</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	30.9.14	30.9.13
	£	£
Current tax:		
UK corporation tax	28,057	162,225
Deferred tax	<u>1,221</u>	<u>3,030</u>
Tax on profit on ordinary activities	<u>29,278</u>	<u>165,255</u>

6. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 October 2013	
and 30 September 2014	<u>4,000,000</u>
AMORTISATION	
At 1 October 2013	600,000
Amortisation for year	<u>200,000</u>
At 30 September 2014	<u>800,000</u>
NET BOOK VALUE	
At 30 September 2014	<u>3,200,000</u>
At 30 September 2013	<u>3,400,000</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2014

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 October 2013	56,027	130,191	186,218
Additions	5,821	36,010	41,831
	<hr/>	<hr/>	<hr/>
At 30 September 2014	61,848	166,201	228,049
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 October 2013	19,391	87,905	107,296
Charge for year	5,935	25,629	31,564
	<hr/>	<hr/>	<hr/>
At 30 September 2014	25,326	113,534	138,860
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30 September 2014	36,522	52,667	89,189
	<hr/>	<hr/>	<hr/>
At 30 September 2013	36,636	42,286	78,922
	<hr/>	<hr/>	<hr/>

8. STOCKS

	30.9.14 £	30.9.13 £
Work-in-progress	253,589	1,823,749
	<hr/>	<hr/>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.14 £	30.9.13 £
Trade debtors	863,113	559,985
Other debtors	3,750	3,750
Prepayments	114,135	60,530
	<hr/>	<hr/>
	980,998	624,265
	<hr/>	<hr/>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.14 £	30.9.13 £
Bank loans and overdrafts (see note 12)	-	436,589
Other loans (see note 12)	200,000	200,000
Trade creditors	915,317	253,772
Tax	28,057	163,092
Social security and other taxes	33,635	24,705
VAT	51,210	89,950
Other creditors	85,862	65,000
Directors' loan accounts	400,000	400,000
Accrued expenses	17,097	17,816
	<hr/>	<hr/>
	1,731,178	1,650,924
	<hr/>	<hr/>

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

	30.9.14 £	30.9.13 £
Other loans (see note 12)	1,242,229	1,688,729
Directors' loan accounts	314,718	659,321
	<hr/>	<hr/>
	1,556,947	2,348,050
	<hr/>	<hr/>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2014

12. LOANS

An analysis of the maturity of loans is given below:

	30.9.14 £	30.9.13 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	436,589
Other loans	200,000	200,000
	<u>200,000</u>	<u>636,589</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>800,000</u>	<u>800,000</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>442,229</u>	<u>888,729</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.14 £	30.9.13 £
Overdraft facility	600,000	-
Commercial card	20,000	-
	<u>620,000</u>	<u>-</u>

Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 13 October 2010.

14. PROVISIONS FOR LIABILITIES

	30.9.14 £	30.9.13 £
Deferred tax		
Accelerated capital allowances	1,221	-
Deferred tax	<u>15,591</u>	<u>15,591</u>
	<u>16,812</u>	<u>15,591</u>
		Deferred tax
		£
Balance at 1 October 2013		15,591
Charge to Profit and Loss Account during year		<u>1,221</u>
Balance at 30 September 2014		<u>16,812</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.9.14	30.9.13
Number:	Class:	Nominal value:	£	£
2	Ordinary Shares	1	<u>2</u>	<u>2</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2014

16. **RESERVES**

	Profit and loss account £
At 1 October 2013	1,902,197
Profit for the year	119,028
At 30 September 2014	<u>2,021,225</u>

17. **RELATED PARTY DISCLOSURES**

At 30 September 2014 included within creditors due within one year are amounts owing to the directors Mr PJ Russell £200,000 (2013 £200,000) and Mrs BE Worth £200,000 (2013 £200,000). An additional £173,359 (2013 £411,724) is due to Mr PJ Russell and £141,359 (2013 £247,597) to Mrs BE Worth which is payable after more than one year. These loans are unsecured, interest free and no repayment terms are laid down. However, it has been agreed no more than £200,000 per annum will be drawn by each director.

At 30 September 2014 included within creditors due within one year are amounts owing to the directors' spouses, Mrs R Russell £100,000 (2013 £100,000) and Mr S Worth £100,000 (2013 £100,000). An additional £621,114 (2013 £844,364) is payable to each of them after more than one year. These loans are interest free and unsecured, with no payment terms laid down other than it has been agreed no more than £100,000 per annum will be drawn by each individual.

The company pays £52,000 per annum for the lease of the premises from which it operates. The premises is owned 56.9% by MW SIPP Trustees as Trustees of MW SIPP and 21.55% each by the directors Mr PJ Russell and Mrs BE Worth. The equal beneficiaries of the MW SIPP are the directors Mr PJ Russell and Mrs BE Worth.

During the year the company received services from Ashleigh Medical LLP in which the only partners are the directors' spouses, Mrs R Russell and Mr S Worth, totalling £1,052,054 (2013 £313,844). At the year end, included in trade creditors, there was a balance of £559,895 due Ashleigh Medical LLP.

18. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.9.14 £	30.9.13 £
Profit for the financial year	119,028	368,208
Net addition to shareholders' funds	<u>119,028</u>	<u>368,208</u>
Opening shareholders' funds	1,902,199	1,533,991
Closing shareholders' funds	<u>2,021,227</u>	<u>1,902,199</u>