

McGRIGORS BELFAST LLP

FINANCIAL STATEMENTS

**For the year ended
30 SEPTEMBER 2009**

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COMPANIES HOUSE

Registered no. NI112140

McGRIGORS BELFAST LLP
FINANCIAL STATEMENTS

For the year ended 30 SEPTEMBER 2009

Company registration number	NILLP 116
Registered office	2 Donegall Square East Belfast BT1 5HB
Designated members	Philip Burroughs Alan McAlister
Bankers	Bank of Ireland 1 Donegall Square South Belfast BT1 5LR
Auditor	Grant Thornton UK LLP Registered Auditor Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

McGRIGORS BELFAST LLP
FINANCIAL STATEMENTS

For the year ended 30 SEPTEMBER 2009

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The members present their report together with the audited financial statements for the year ended 30 September 2009

Principal activities

The principal activity of McGrigors Belfast LLP is the provision of professional legal services within the United Kingdom

The results for the year are set out on page 7. Turnover for the year was £517 000 (2008 £527 000). Profit for the financial year before members' remuneration charged as an expense was £98 000 (2008 £36 000). The members believe that these are strong results and are very positive about the firm's future growth and development.

Designated members

The designated members during the year were as follows. All served throughout the year.

Philip Burroughs
Alan McAlister

Members' drawings and the subscription and repayment of members' capital

No drawings are payable by McGrigors Belfast LLP.

Members subscribe capital to the firm in accordance with amounts determined by a majority decision made under the members' agreement. Members' capital may only be withdrawn when a member leaves the LLP through retirement, expulsion or cessation. As a member's capital is repayable immediately on retirement, members' capital is classified as a current liability.

Statement of members responsibilities in respect of the financial statements

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law.

Under Regulation 8 of the 2008 Regulations the members 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 partnership and of the profit of the partnership for that period.

select suitable accounting policies and then apply them consistently

make judgements and estimates that are reasonable and prudent

state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements

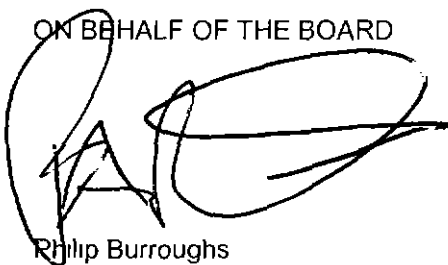
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Under Regulation 8 of the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities.

Auditors

Grant Thornton UK LLP

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'P Burroughs', written over the text 'ON BEHALF OF THE BOARD'.

Philip Burroughs
Designated member

21 January 2010

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF McGRIGORS BELFAST LLP

We have audited the financial statements of McGrigors Belfast LLP for the year ended 30 September 2009 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 partnership and the members as a body for our audit work for this report or for the opinions we have formed.

Respective responsibilities of the members and auditors

The members' responsibilities for preparing the Members' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of members' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). It is our responsibility to form an independent opinion based on our examination and to report our opinion to you.

In addition, we report to you if, in our opinion, McGrigors Belfast LLP has not kept adequate accounting records, 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 we have not received all the information and explanations we require for our audit.

We read other information contained in the members' report and consider whether it is consistent with the audited financial statements. This other information comprises only the report to the members. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE AUDITOR TO THE MEMBERS OF
McGRIGORS BELFAST LLP**

Opinion

In our opinion

give a true and fair view of the state of affairs of the partnership as at 30 September 2009 and of the profit for the partnership for the year then ended

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the Companies Act 2006 as applied by the Limited Liability Partnerships (Account and Audit) (Application of Companies Act 2006) Regulations 2008

Grant Thornton UK LLP

Peter Gamson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor Chartered Accountants
London

21 January 2010

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 Statement of Recommended Practice (SORP) Accounting by Limited Liability Partnerships 2006 and applicable UK accounting standards (United Kingdom General Accepted Accounting Practice)

The principal accounting policies of the firm have remained unchanged from the previous year and are set out below

Turnover

Revenue from services provided by the firm is recognised when the firm has performed its obligations and in exchange obtained the right to consideration. It is stated at the fair value of the consideration receivable net of value added tax rebates discounts and disbursements

Amounts recoverable on contracts

Services provided to clients during the year which at the balance sheet date have not been billed to clients have been recognised as turnover in accordance with Financial Reporting Standard 5 Reporting the substance of transactions Application Note G Revenue Recognition. Turnover recognised in this manner is based on an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Provision is made against unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the partnership. Unbilled revenue is included in debtors

Work in progress

Gross work in progress is stated at the lower of cost and net realisable value. For this purpose the cost of work in progress is defined as the employment cost of staff and applicable overheads. Provisions are made for losses which are foreseen

Leases

Leases where substantially all of the rights and rewards of ownership are not transferred to the group are treated as operating leases. Rentals under operating leases are charged against profits on a straight line basis over the period of the lease

Operating lease incentives are recognised on a straight line basis as a reduction of the rental expense over the shorter of the lease term the period to the first rent review where market rentals will be payable or the lease term as appropriate to the individual circumstances

Members remuneration

Profits of the LLP are allocated and distributed to the members in equal proportions unless otherwise determined by the Board. The members hold the profits on trust for McGrigors LLP under the terms of a Declaration of Trust

Taxation

The taxation payable on the firm's profits is the personal liability of the members during the year and consequently neither taxation nor related deferred taxation are accounted for in relation to the LLP. Amounts retained for tax are treated in the same way as other profits of the partnership and are so included in Members' interests or in Loans and other debts due to members depending on whether or not division of profits has occurred

Retirement benefits

All staff are employees of McGrigors LLP firm's controlling related party McGrigors LLP is a participating employer in a defined contribution stakeholder pension fund independently managed by Standard Life

The assets of this pension scheme are held separately from the assets of the firm. The amounts charged against profits represent the contributions payable for the accounting period

McGRIGORS BELFAST LLP
PROFIT AND LOSS ACCOUNT

For the year ended 30 SEPTEMBER 2009

	Note	2009 £ 000	2008 £ 000
Turnover	1	517	527
Staff salary costs and recharges	2	<u>(245)</u>	<u>(247)</u>
Gross profit		272	280
Other operating income and charges	1	<u>(174)</u>	<u>(244)</u>
Operating profit		98	36
Net interest and other similar charges		<u> </u>	<u> </u>
Profit for the financial year before members remuneration and profit shares	5	98	36
Members remuneration charged as an expense	2	<u>(98)</u>	<u>(36)</u>
Profit for the financial year available for discretionary division among members	5	<u> </u>	<u> </u>

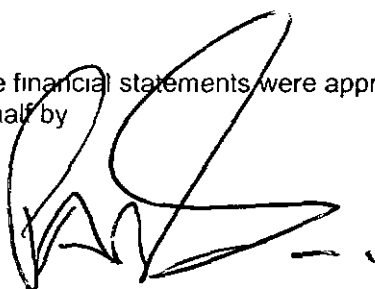
All transactions arise from continuing operations

There were no recognised gains or losses other than the loss for the financial year

McGRIGORS BELFAST LLP
BALANCE SHEET AT 30 SEPTEMBER 2009

	Note	2009 £ 000	2008 £ 000
Current assets			
Debtors	3	346	381
Cash at bank and in hand		375	172
		<u>721</u>	<u>553</u>
Creditors amounts falling due within one year	4	<u>(623)</u>	<u>(517)</u>
Net current assets		<u>98</u>	<u>36</u>
Net assets attributable to members		<u>98</u>	<u>36</u>
Represented by			
Loans and other debts due to members within one year			
Other amounts	5	98	36
		<u>98</u>	<u>36</u>
Total members interests			
Loans and other debtors due to members	5	98	36
Amounts due from members	5		
Members other interests	5		
		<u>98</u>	<u>36</u>

The financial statements were approved by the members on 21 January 2010 and were signed on their behalf by



Philip Burroughs Designated member

For the year ended 30 SEPTEMBER 2009

1 Turnover and profit for the financial year available for division among members

All turnover and profits before taxation are derived from the provision of legal services within the United Kingdom

The profit for the financial year available for division among members is stated after charging

	2009 £ 000	2008 £ 000
Auditors remuneration		
Audit services		
Non audit services	2	2
Other operating lease rentals land and buildings	<u>23</u>	<u>23</u>

Non audit services comprise Solicitors Accounts Rules fees

The fee in relation to the audit of the partnership is borne by McGrigors LLP

2 Members and staff

All staff are employees of McGrigors LLP The staff costs that were recharged to the firm by McGrigors LLP were as follows

	2009 £ 000	2008 £ 000
Wages and salaries	208	207
Social security costs	27	29
Other pension costs	<u>10</u>	<u>11</u>
	<u>245</u>	<u>247</u>

Members remuneration charged as an expense represents amounts payable under the members agreement and comprised

	2009 £ 000	2008 £ 000
Amounts payable under the members agreement	<u>98</u>	<u>36</u>

Profits are allocated amongst members in accordance with agreed profit sharing arrangements and are held on trust for McGrigors LLP Therefore the entire profit in each year is received by McGrigors LLP

For the year ended 30 SEPTEMBER 2009

Members and staff (continued)

The average number of members and employees working for the firm during the year are analysed as follows

	2009 Number	2008 Number
Members	2	2
Legal staff		
Administrative staff		
	<u>2</u>	<u>2</u>

3 Debtors

	2009 £ 000	2008 £ 000
Trade debtors	155	167
Amounts recoverable on contracts	<u>191</u>	<u>214</u>
	<u>346</u>	<u>381</u>

4 Creditors amounts falling due within one year

	2009 £ 000	2008 £ 000
Amounts owed to McGrigors LLP	614	506
Social security and other taxes	9	8
Other creditors and accruals		3
	<u>623</u>	<u>517</u>

Excludes amounts in relation to profit shares which are included within loans and other debts due to members

For the year ended 30 SEPTEMBER 2009

5 Members interests

	Members capital £ 000	Loans and other debtors due to/(from) members £ 000	Total £ 000	Other reserves £ 000	Total £ 000
At 1 October 2008		36	36		36
Members remuneration charged as an expense		98	98		98
Profit for the financial year available for division among members					
Members interests after profit for year		134	134		134
Distributions		(36)	(36)		(36)
At 30 September 2009		98	98		98
Split as					
Amounts due to members		98	98		98
Amounts due from members					
At 30 September 2009		98	98		98

6 Capital commitments

The firm had no capital commitments at 30 September 2009 or 30 September 2008

7 Retirement benefits

Defined Contribution Pension Scheme

All staff are employees of McGrigors LLP. McGrigors LLP is a participating employer in a defined contribution stakeholder pension fund independently managed by Standard Life.

The assets of this pension scheme are held separately from the assets of the firm. The amount charged against profits of £10 000 (2008 £11 000) represents the contributions payable for the accounting period.

8 Leasing commitments

Operating lease payments amounting to £ 23 000 (2008 £23 000) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings 2009 £	Other 2009 £	Land and buildings 2008 £	Other 2008 £
In five years or more	<u>23 000</u>	<u></u>	<u>23 000</u>	<u></u>

9 Transactions with related parties

McGrigors Belfast LLP has relied upon the exemption given in Financial Reporting Standard 8 not to disclose transactions between itself and McGrigors LLP.

10 Controlling related party

The members consider McGrigors LLP to be the controlling related party by virtue of a trust deed between the members of McGrigors Belfast LLP and McGrigors LLP which enables control to vest with McGrigors LLP.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by McGrigors LLP.

11 Subsequent events

On 1 October 2009 McGrigors Belfast LLP acquired the assets and business of L Estrange & Brett, a partnership providing legal services in Belfast, Northern Ireland. In the financial statements of this partnership's controlling related party, McGrigors LLP, for the year ended 30 September 2010, goodwill arising on the acquisition will be capitalised and then written off over a period of five years, being the estimated useful lives of the assets acquired.