

Limited Liability Partnership Registration No. OC305898 (England and Wales)

MANCHES LLP
MEMBERS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

MONDAY



LZ6ZZEFH

LD4

26/10/2009

83

COMPANIES HOUSE

MANCHES LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members

J J Simpson
L S Manches
M Pedro
J S Mitchell
R A Smith
J I Craig
D P Tighe

Limited liability partnership number

OC305898

Registered office

Aldwych House
81 Aldwych
London
WC2B 4RP

Auditors

Lewis Golden & Co
40 Queen Anne Street
London
W1G 9EL

MANCHES LLP

CONTENTS

	Page
Members' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 15

MANCHES LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The members present their report and financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the limited liability partnership continued to be the provision of legal services.

Designated members

The following designated members have held office since 1 January 2008:

J J Simpson
L S Manches
M Pedro
J S Mitchell
R A Smith
J I Craig
D P Tighe

Policy on members' drawings

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

Statement of members' responsibilities

Company law (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that year. In preparing those financial statements, the members are required to:

- 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 limited liability partnership will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

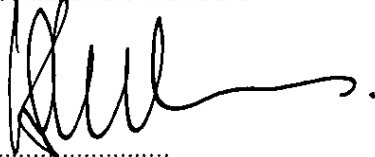
MANCHES LLP

MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of members' responsibilities (continued)

The members confirm that so far as they are aware, there is no relevant audit information (as defined by section 234ZA of the Companies Act 1985) of which the limited liability partnership's auditors are unaware. The members have taken all the steps that members ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditors are aware of that information.

On behalf of the members



.....
L S Manches
Designated Member

Date: 13.10.09

MANCHES LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANCHES LLP

We have audited the financial statements of Manches LLP for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and Cash Flow Notes, and related Notes to the Financial Statements 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Section 235 of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an 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 limited liability partnership and the limited liability partnership's 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 financial statements in accordance with applicable law and United Kingdom 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).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

In addition we report to you if, in our opinion, the limited liability partnership has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit.

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 limited liability 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.

MANCHES LLP

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF MANCHES LLP

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the limited liability partnership's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).



Lewis Golden & Co

Chartered Accountants and Registered Auditors

40 Queen Anne Street

London

W1G 9EL

Date: 16 October 2009

MANCHES LLP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2	34,221,911	34,398,998
Cost of sales (movement in work-in-progress)		10,551	34,272
Gross profit		34,232,462	34,433,270
Administrative expenses		(26,200,485)	(25,601,794)
Other operating income		806,968	691,933
Operating profit	3	8,838,945	9,523,409
Other interest receivable and similar income	4	437,662	362,831
Interest payable and similar charges	5	(590,926)	(718,989)
Profit for the financial year before members' remuneration and profit shares		8,685,681	9,167,251
Members' remuneration charged as an expense	13	(8,685,681)	(9,167,251)
Profit for the financial year available for discretionary division among members		-	-

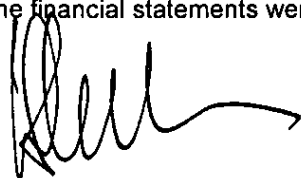
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

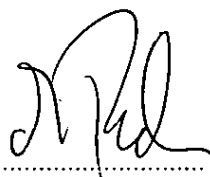
MANCHES LLP**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Notes	2008 £	£	2007 £	£
Fixed assets					
Intangible assets	6	73,685		185,490	
Tangible assets	7	2,556,779		3,396,695	
		<u>2,630,464</u>		<u>3,582,185</u>	
Current assets					
Work-in-progress	8	252,416	241,865		
Debtors	9	16,491,751	15,927,953		
Cash at bank and in hand	10	3,380	4,014		
		<u>16,747,547</u>	<u>16,173,832</u>		
Creditors: amounts falling due within one year	11	<u>(11,445,017)</u>	<u>(9,488,370)</u>		
Net current assets		<u>5,302,530</u>		<u>6,685,462</u>	
Total assets less current liabilities		<u>7,932,994</u>		<u>10,267,647</u>	
Creditors: amounts falling due after more than one year	12	<u>(978,071)</u>	<u>(2,025,337)</u>		
Net assets attributable to members		<u><u>6,954,923</u></u>		<u><u>8,242,310</u></u>	
Represented by:					
Loans and other debts due to members		3,984,923	4,897,310		
Members' capital classified as a liability		2,970,000	3,345,000		
Total members' interests	13	<u><u>6,954,923</u></u>		<u><u>8,242,310</u></u>	

The financial statements were approved by the Members on 13th October 2009



L S Manches
Designated Member



M Pedro
Designated Member

MANCHES LLP

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
£	£	£
Net cash inflow from operating activities	9,880,281	10,544,930
Returns on investments and servicing of finance		
Interest received	427,662	362,831
Interest paid	(594,908)	(706,116)
Interest element of finance lease rentals	(10,439)	(12,873)
Net cash outflow for returns on investments and servicing of finance	(177,685)	(356,158)
Capital expenditure		
Payments to acquire tangible assets	(111,717)	(475,439)
Receipts from sales of tangible assets	28,904	15,735
Net cash outflow for capital expenditure	(82,813)	(459,704)
Transactions with members and former members		
Payments to members	(9,879,095)	(7,318,986)
Contributions by members	220,000	540,000
Payments to former members	(313,973)	(910,030)
	(9,973,068)	(7,689,016)
Net cash (outflow)/inflow before management of liquid resources and financing	(353,285)	2,040,052
Financing		
Long term borrowings	-	187,195
Short term borrowings	491,965	507,654
Borrowings repaid	(1,614,983)	(1,562,996)
Capital element of finance lease contracts	(81,679)	(82,534)
Net cash outflow from financing	(1,204,697)	(950,681)
(Decrease)/increase in cash in the year	(1,557,982)	1,089,371

MANCHES LLP

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

1	Reconciliation of operating profit to net cash inflow from operating activities	2008	2007
		£	£
	Operating profit	8,838,945	9,523,409
	Depreciation of tangible assets	974,613	1,124,592
	Amortisation of intangible assets	111,805	80,000
	Increase in stocks	(10,551)	(34,272)
	(Increase)/decrease in debtors	(553,798)	1,000,395
	Increase/(decrease) in creditors within one year	519,267	(1,149,194)
	Net cash inflow from operating activities	9,880,281	10,544,930

2	Analysis of net debt	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	4,014	(634)	-	3,380
	Bank overdrafts	(4,486,694)	(1,557,348)	-	(6,044,042)
		<u>(4,482,680)</u>	<u>(1,557,982)</u>	<u>-</u>	<u>(6,040,662)</u>
	Debt:				
	Finance leases	(132,735)	81,679	(51,884)	(102,940)
	Debts falling due within one year	(1,540,878)	1,123,018	(1,048,570)	(1,466,430)
	Debts falling due after one year	(1,956,746)	-	1,048,570	(908,176)
		<u>(3,630,359)</u>	<u>1,204,697</u>	<u>(51,884)</u>	<u>(2,477,546)</u>
	Net debt	<u>(8,113,039)</u>	<u>(353,285)</u>	<u>(51,884)</u>	<u>(8,518,208)</u>

3	Reconciliation of net cash flow to movement in net debt	2008	2007
		£	£
	(Decrease)/increase in cash in the year	(1,557,982)	1,089,371
	Cash outflow from decrease in debt and lease financing	1,204,697	950,681
	Change in net debt resulting from cash flows	<u>(353,285)</u>	<u>2,040,052</u>
	New finance lease	(51,884)	(89,511)
	Movement in net debt in the year	(405,169)	1,950,541
	Opening net debt	<u>(8,113,039)</u>	<u>(10,063,580)</u>
	Closing net debt	<u>(8,518,208)</u>	<u>(8,113,039)</u>

MANCHES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

A summary of the principle accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including the Statement of Recommended Accounting Practice, Accounting by Limited Liability Partnerships (effective March 2006), and under the historical cost convention.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

In accordance with FRS 5 "Reporting the substance of transactions", profit is recognised on contracts if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over four years, being its estimated useful economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	over 3 or 10 years straight line
Computers and office equipment	over 3 or 5 years straight line
Fixtures and fittings	over 3 or 10 years straight line
Motor vehicles	over the period of the lease

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Work in progress

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

1.8 Pensions

The limited liability partnership operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

MANCHES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies (continued)

1.9 Members' remuneration

Members' remuneration is charged as an expense in the profit and loss account as each member has an entitlement to a share of future profit without the need for any further decision by the members on the division of those profits.

1.10 Members' capital

Amounts subscribed or otherwise contributed by members are classified as capital by the limited liability partnership deed. Members capital is classified as a liability under FRS 25 "Financial Instruments: disclosure and presentation" as the capital is repayable to members on their retirement.

2 Turnover

The total turnover of the limited liability partnership for the year and prior year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2008 £	2007 £
Operating profit is stated after charging:		
Amortisation of intangible assets	111,805	80,000
Depreciation of tangible assets	974,613	1,124,592
Operating lease rentals	2,651,950	2,174,270
Auditors' remuneration		
- auditing of the financial statements	16,000	13,000
- other services relating to taxation	92,000	82,500
- all other services	27,000	24,500

4 Investment income	2008 £	2007 £
Bank interest	437,662	362,831

5 Interest payable	2008 £	2007 £
On bank loans and overdrafts	467,769	520,982
On other loans wholly repayable within five years	107,033	159,148
Lease finance charges	10,439	12,873
Other interest	5,685	25,986
	590,926	718,989

MANCHES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2008 & at 31 December 2008	321,490
Amortisation	
At 1 January 2008	136,000
Charge for the year	111,805
At 31 December 2008	247,805
Net book value	
At 31 December 2008	73,685
At 31 December 2007	185,490

7 Tangible fixed assets

	Leasehold improvements	Computers and office equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2008	3,439,608	4,071,479	1,901,973	293,581	9,706,641
Additions	1,000	91,313	19,404	51,884	163,601
Disposals	-	(83,977)	-	(167,690)	(251,667)
At 31 December 2008	3,440,608	4,078,815	1,921,377	177,775	9,618,575
Depreciation					
At 1 January 2008	1,505,860	3,282,915	1,360,327	160,844	6,309,946
On disposals	-	(83,977)	-	(138,786)	(222,763)
Charge for the year	298,877	490,169	132,793	52,774	974,613
At 31 December 2008	1,804,737	3,689,107	1,493,120	74,832	7,061,796
Net book value					
At 31 December 2008	1,635,871	389,708	428,257	102,943	2,556,779
At 31 December 2007	1,933,748	788,564	541,646	132,737	3,396,695

MANCHES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

7 Tangible fixed assets

(continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 December 2008	102,943
At 31 December 2007	132,737
Depreciation charge for the year	
31 December 2008	52,774
31 December 2007	60,137

8 Work in progress

2008

2007

£

£

Work in progress

252,416

241,865

9 Debtors

2008

2007

£

£

Trade debtors

11,909,764

11,335,762

Other debtors

578,339

891,200

Prepayments and accrued income

4,003,648

3,700,991

16,491,751

15,927,953

10 Cash at bank and in hand

Amounts shown as cash at bank and in hand comprise amounts held on behalf of the limited liability partnership and exclude amounts held on behalf of clients.

Amounts held on behalf of clients and transactions undertaken on their behalf are maintained and operated using client bank accounts which are separate from the limited liability partnership's balances.

All liabilities at the balance sheet date whether to clients or third parties on their behalf, totalling £25,976,662 (2007: £28,163,715) are represented by amounts held in these client bank accounts at the year end.

MANCHES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

11 Creditors: amounts falling due within one year	2008	2007
	£	£
Bank loans and overdrafts	6,918,290	4,876,765
Net obligations under finance leases	33,045	64,144
Trade creditors	2,450,600	1,681,036
Taxes and social security costs	647,315	874,361
Other creditors	831,662	1,303,227
Accruals and deferred income	564,105	688,837
	<u>11,445,017</u>	<u>9,488,370</u>

The bank overdraft is secured by way of a fixed and floating charge over the assets of the limited liability partnership.

12 Creditors: amounts falling due after more than one year	2008	2007
	£	£
Bank loans	337,425	679,815
Other loans	570,751	1,276,931
Net obligations under finance leases	69,895	68,591
	<u>978,071</u>	<u>2,025,337</u>

Analysis of loans

Wholly repayable within five years	2,374,606	3,497,624
Included in current liabilities	(1,466,430)	(1,540,878)
	<u>908,176</u>	<u>1,956,746</u>

Loan maturity analysis

In more than one year but not more than two years	674,663	1,052,284
In more than two years but not more than five years	233,513	904,462
	<u>908,176</u>	<u>1,956,746</u>

Loans are secured by way of a fixed charge on the assets to which they relate.

MANCHES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

12 Creditors: amounts falling due after more than one year

(continued)

	2008 £	2007 £
Net obligations under finance leases		
Repayable within one year	33,045	64,144
Repayable between one and five years	69,895	68,591
	<u>102,940</u>	<u>132,735</u>
Included in liabilities falling due within one year	(33,045)	(64,144)
	<u>69,895</u>	<u>68,591</u>

13 Members' interests

Loans and other debts due to members

	2008 £	2007 £
Amounts due to members at 1 January 2008	8,242,310	6,764,075
Members' remuneration charged as an expense	8,685,681	9,167,251
	<u>16,927,991</u>	<u>15,931,326</u>
Members' interests after profit for the year		
Introduced by members	220,000	540,000
Repayment of debt (including members' capital classified as a liability)	(595,000)	(300,000)
Drawings	(9,598,068)	(7,929,016)
	<u>6,954,923</u>	<u>8,242,310</u>
Members' interests at 31 December 2008		

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

MANCHES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

14 Financial commitments

At 31 December 2008 the limited liability partnership was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings		Other leases	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Within one year	30,180	-	12,674	128,350
Between two and five years	44,325	-	174,985	41,178
In over five years	2,592,507	2,592,507	-	-
	<u>2,667,012</u>	<u>2,592,507</u>	<u>187,659</u>	<u>169,528</u>

15 Information in relation to members and employees

Number of employees

The average monthly number of employees (including members) during the year was:

	2008	2007
	Number	Number
Legal advisers		
- Members	61	59
- Non-members	104	108
Administrative and support staff	198	193
	<u>363</u>	<u>360</u>

The share of profit to the member with the largest entitlement was £683,471 (2007: £600,727).

Employment costs (excluding members' remuneration)

	£	£
Wages and salaries	12,863,969	12,819,370
Social security costs	1,288,715	1,269,746
Other pension costs	337,032	332,115
	<u>14,489,716</u>	<u>14,421,231</u>

16 Control

There was no single ultimate controlling party in the current year or prior year.