

**BEGBIES TRAYNOR (SOUTH) LLP**

**Report and Financial Statements  
For the year ended 30 April 2010**

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**REPORT AND FINANCIAL STATEMENTS 2010**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Profit and loss account</b>	<b>2</b>
<b>Balance sheet</b>	<b>3</b>
<b>Notes to the financial statements</b>	<b>4</b>

**OFFICERS AND PROFESSIONAL ADVISERS**

**DESIGNATED MEMBERS**

Begbies Traynor Limited  
BTG Consulting Limited

**REGISTERED OFFICE**

340 Deansgate  
Manchester  
M3 4LY

# BEGBIES TRAYNOR (SOUTH) LLP

## PROFIT AND LOSS ACCOUNT Year ended 30 April 2010

	Note	2010 £	2009 £
<b>TURNOVER</b>	2	-	12,399,131
Staff costs	3	-	(2,623,631)
Depreciation		-	(325,542)
Other costs		-	(4,354,977)
<b>OPERATING PROFIT</b>	4	-	5,094,981
Interest payable	5	-	(1,253)
<b>OPERATING PROFIT BEING PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>	6	-	5,093,728
Members' remuneration charged as an expense	6	-	(2,027,232)
<b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>	6	-	3,066,496

The LLP has not traded in the current year. In the prior year the results relate to discontinued operations.

There were no recognised gains or losses in either year other than the profit for that year. Accordingly, a separate statement of total recognised gains and losses has not been presented.

**BEGBIES TRAYNOR (SOUTH) LLP****BALANCE SHEET**  
**As at 30 April 2010**

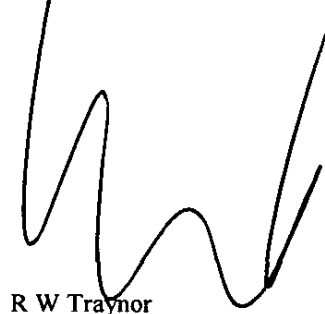
	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible fixed assets		-	-
Investments		-	-
		<u>-</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Debtors	7	8,470,570	8,470,570
Cash at bank		-	-
		<u>8,470,570</u>	<u>8,470,570</u>
<b>CREDITORS: amounts falling due within one year</b>		<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>8,470,570</u>	<u>8,470,570</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>8,470,570</u>	<u>8,470,570</u>
<b>REPRESENTED BY:</b>			
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS</b>			
Members' capital classified as debt under FRS 25	8	-	-
Other amounts	8	8,470,570	8,470,570
<b>TOTAL MEMBERS' INTERESTS</b>	8	<u>8,470,570</u>	<u>8,470,570</u>

The LLP did not trade in the current year and has made neither a profit or loss, nor any other gain or loss

The annual financial statements have not been audited because Begbies Traynor (South) LLP is entitled to the exemption provided by section 480 of the Companies Act 2006 as applied to limited liability partnerships by The Limited Liabilities (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts

The financial statements of Begbies Traynor (South) LLP, registered number OC306265, were approved by the members and authorised for issue on



R W Traynor

On behalf of Begbies Traynor Limited

Designated Member

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2010**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and accounting standards and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (the LLP SORP).

**Cash flow statement**

The LLP is wholly owned by Begbies Traynor Group plc ('the Group') and is included within the Group's consolidated financial statements, which are publicly available. Consequently, the LLP has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash flow statements (revised 1996)'.

**Revenue recognition**

Revenue relating to professional services rendered is recognised when the following conditions have been met:

- the amount of revenue can be measured reliably,
- it is probable that economic benefits will flow to the entity,
- the stage of completion of the engagement at the balance sheet date can be measured reliably, and
- the costs incurred for the transaction and the costs to complete can be measured reliably.

Revenue is recognised on a case by case basis, based on the stage of completion, the fee structure and the partner's estimate of likelihood of completion. When a minimum fixed fee is agreed, it is fully recognised when the necessary elements of the case are completed.

For contingent fee engagements, revenue is only recognised when it is virtually certain at the balance sheet date of a successful outcome to the engagement.

Unbilled revenue on individual client assignments is included within recoverable income and costs on cases within current assets.

**Remuneration of members, allocation of profits and drawings**

Members receive contractual remuneration which is paid regardless of the existence of, or level of, profits and without any decision or agreement to divide profits. Such remuneration is treated as "salaried remuneration" and is included as an expense and deducted in arriving at the profit available for division amongst members. Remaining profits are allocated between members after finalisation of the annual results.

Members draw a proportion of their profit share monthly during the year in which it is made with the balance of profits being distributed after the year end.

Any unallocated profits are included in other reserves within members' other interests.

**Members' capital and interests**

The LLP has a flexible policy for the subscription of capital and maintains a balance of members' funds appropriate to the requirements of the business. Details of movement of members' capital and interests in the year ended 30 April 2010 are set out in note 8 to the financial statements.

**Taxation**

The taxation payable on profit of the LLP is the personal liability of the members. A retention from profit is made to fund the payments of taxation on behalf of members.

**Post retirement benefits and pensions**

The LLP operates a defined contribution scheme in the United Kingdom for staff, the assets of which are held separately from those of the LLP. The costs of the pension funding borne by the LLP are charged to the profit and loss account as an expense as they fall due.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2010

## 1. ACCOUNTING POLICIES (continued)

**Leases**

Tangible fixed assets held under finance leases and hire purchase contracts are capitalised and depreciated over their estimated useful lives. Interest elements of the lease obligations are charged to the profit and loss account. The capital element of future lease payments is included in creditors.

Rentals under operating leases are charged to the profit and loss account in equal instalments over the lease term. Reverse premiums or other lease incentives are spread on a straight-line basis over the shorter of the lease term or the period until the rent is adjusted to the prevailing market rate.

**Related party transactions**

The LLP has taken advantage of the exemption under FRS 8 'Related party disclosures' not to disclose related party transactions with other members of the Begbies Traynor Group plc group.

## 2. TURNOVER

All turnover was derived from insolvency and corporate recovery services in the United Kingdom and is stated net of value added tax.

## 3. STAFF COSTS

Staff costs (excluding salaried remuneration of members) were as follows

	2010 £	2009 £
Wages and salaries	-	2,333,975
Social security costs	-	249,876
Pension costs	-	39,780
	<u>-</u>	<u>2,623,631</u>

The average monthly number of employees, excluding members, during the year was as follows

	2010 No.	2009 No.
Client service staff	-	60
Support staff	-	13
	<u>-</u>	<u>73</u>

## 4. OPERATING PROFIT

This is stated after charging

	2010 £	2009 £
Depreciation		
- owned assets	-	173,560
- assets held under finance leases and hire purchase contracts	-	151,982
Loss on sale of tangible fixed assets	-	32,361
Operating lease payments		
- land and buildings	-	347,314
- other	-	3,258
	<u>-</u>	<u>555,175</u>

The auditors' remuneration for the prior year was borne by other Group entities and not recharged. The members' estimate of the prior year audit fee relating to the LLP is £5,000. No other fees were paid to the auditors during the prior year.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2010**

**5. INTEREST PAYABLE**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Other interest	-	1,253

**6. MEMBERS' REMUNERATION**

Members' remuneration is provided by means of a base remuneration, plus a share of profits of the LLP

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Remuneration of members	-	2,027,232
Profit for the year divided among members	-	3,066,496
<b>Profit before members' remuneration and profit shares</b>	<b>-</b>	<b>5,093,728</b>
	<b>No.</b>	<b>No.</b>
<b>Average number of members in the year</b>	<b>2</b>	<b>15</b>
<b>Average members' remuneration</b>	<b>-</b>	<b>339,582</b>

The profit attributable to the highest paid member was £nil (2009 £2,553,865)

**7. DEBTORS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	8,470,570	8,470,570
	<b>8,470,570</b>	<b>8,470,570</b>

**8. RECONCILIATION OF MEMBERS' INTERESTS**

	<b>Loans and other debts due to Members' Other amounts</b>	<b>Members' other interests</b>	<b>Total Members' interests</b>
	<b>£</b>	<b>Other reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Members' interests at 1 May 2009 and 30 April 2010	8,470,570	-	8,470,570

Amounts due to Members will rank pari passu with other unsecured creditors in the event of a winding up. In such a circumstance, the Members have subordinated their rights to payments of amounts owed to them in preference to external creditors.



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 April 2010**

**9. OPERATING LEASE COMMITMENTS**

Annual commitments under non-cancellable operating leases are as follows

	<b>Land and buildings</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
In more than 5 years	-	310,614
	-	310,614

**10. CONTINGENT LIABILITIES**

On 29 April 2010, Begbies Traynor (South) LLP was released from its obligations under the unlimited bank cross guarantee to cover the bank borrowings of all subsidiaries of Begbies Traynor Group plc, due to a change in the Group's banking facilities

**11. ULTIMATE CONTROLLING PARTY**

In the opinion of the members, the ultimate controlling party of the LLP is deemed to be Begbies Traynor Group plc, a company incorporated in England and Wales. A copy of the financial statements can be obtained from the Company Secretary, Begbies Traynor Group plc, 340 Deansgate, Manchester, M3 4LY

**12. SIGNIFICANT CHANGES**

On 30 April 2009 the trade and assets of the LLP were hived into Begbies Traynor (Central) LLP, a fellow subsidiary undertaking of Begbies Traynor Limited