

Bevan Brittan LLP

Members' report and financial
statements

Registered number OC309219

Year ended 30 April 2012



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Members' report

The members present their annual report and the audited financial statements for the year ended 30 April 2012

Bevan Brittan LLP is a limited liability partnership registered in England and Wales with registered number OC309219. A list of members' names and of the non-members who are designated as partners is available for inspection at Kings Orchard, 1 Queen Street, Bristol BS2 0HQ which is also Bevan Brittan LLP's principal place of business and registered office. For more information about Bevan Brittan LLP, visit our website at www.bevanbrittan.com

Principal activity

The principal activity of the LLP is the provision of advice on law and legal proceedings to clients in the public sectors and at the interface of the public and private sector

Business review

The challenging market conditions that we faced in 2010 have continued throughout this financial year and we have met these challenges with considerable change. In December 2011 we decided to outsource some of our fee-earner support services and in the final financial quarter announced a change in leadership with the appointment of Duncan Weir as Managing Partner. During this time we maintained our underlying entity profitability and margins at £7.5m and 22% respectively.

We continue to strengthen brand awareness as 'The Public Services Law Firm' to organisations operating in the public sector as well as those in the private and third sectors that serve them.

The members consider the Key Performance Indicators of the business to be underlying entity profitability and profit margin. Profit in the year has decreased from £8.2m to £7.5m, due to the continuing uncertainty in our core markets. The members also consider the principal risks and uncertainties of the business to be the current uncertain economic environment and reduced public sector funding which could affect the amounts of specific project work available to Bevan Brittan.

In each of our core public services markets we saw major successes throughout the year. At the start of the year we were appointed the sole legal provider to the major charity Action for Children. In Health, our largest market, legal services frameworks continue to play a major role and we were appointed to the Healthcare Trust Europe framework that represents over a quarter of all NHS Trusts in England. The health market continues to see significant change and there were major successes with individual Trusts including NHS Trafford and Heatherwood & Wexham Park Hospitals FT.

In Local Government our reputation as innovators in the market was supported with the appointment to advise Birmingham City Council on its major Energy Savers project. At an estimated value of £1.5 billion the project is one of the largest PPPs currently in procurement and the first of the Government's flagship "Green Deal" initiatives. Other significant wins included the appointment to advise Slough Borough Council on its Local Asset Backed Vehicle (LABV) and Barking and Dagenham Council on the significant Gascoigne Estate regeneration project. The Bevan Brittan Housing team also enjoyed an impressive run of client gains in the year with appointments to Orbit, Southern, Sovereign and Herefordshire Housing. Other notable successes included Kier, John Laing and Viridor in the private sector and a high profile regulatory appointment to advise the Bar Standards Board.

Finally, a major campaign to raise the firm profile saw significant success in PR. This included a string of high profile award wins and recognition, our first inclusion in the Lawyer Hot 100 and Bevan Brittan being recognised as one of the "Best Legal Advisers" in the independent and influential Legal Week Intelligence Report 2011.

Members' report *(continued)*

Designated members

The designated members (as defined in the Limited Liability Partnerships Act 2000) during the year and to the date of this report were as follows

Mark Calverley (Appointed as designated member on 1 May 2012)
John Chapman
Joanne Easterbrook
Bethan Evans (Appointed as designated member on 1 May 2012)
Julian Hoskins (Resigned as designated member on 1 May 2012)
Adam Kendall
James Kirkbride
Sarah Jane Lamont (Appointed as designated member on 1 May 2012)
Iain Miller
Sarah Mumford
Andrew Tobin
Duncan Weir

Charitable donations

We have consolidated and expanded our community involvement. This has included mentoring and reading schemes at schools in Bristol, London and Birmingham and pro bono legal advice for Thames Gateway Institute for Sustainability and Pride Bristol. The firm is also a member of Business in the Community. Our nominated charity is Action for Children with whom we have close links in all our offices.

The LLP and staff made donations through a number of fund raising events over the year. The LLP itself contributed £170 (2011 £1,520).

Members' capital and profit shares

Members are remunerated solely out of the profits of the LLP.

Capital

The capital requirements of the LLP are determined from time to time by the board. At present, capital is subscribed on a three tier system of £1,000 for fixed share consultants, £50,000 for fixed share members and £165,000 for equity members.

Capital is repaid within 24 months of the date members cease to be members.

Allocation of profits and drawings

The LLP has discretion over when and how to divide profits. During the year, the membership has formally allocated profits relating to prior periods. No other profits have been formally allocated. Unallocated profits will be formally divided when the Board decides it is appropriate to do so.

Any tax liability due on these profit allocations are the responsibility of the individual members. However the LLP retains from the members profit entitlement the tax due on these profits and pays this over to the relevant tax authorities on behalf of all the members at the appropriate times during the year.

Where the cash requirements of the business conflict with that of the need to pay monthly drawings, the membership policy is to meet the needs of the business commitments, then to discharge any amounts available to the members, without compromise to the business' cash position.

Members' report *(continued)*

Members' capital and profit shares *(continued)*

Allocation of profits and drawings (continued)

Where members have a contractual entitlement to remuneration, these payments are shown in the profit and loss account as 'Members remuneration charged as an expense' in accordance with the LLP Statement of Recommended Practice (SORP) and FRS25 Financial Instruments presentation and disclosure. Further details are contained within note 1.

Employees

It is the LLP's policy to employ the most suitably qualified people, regardless of sex, age, sexual orientation, ethnic origin or religion. The LLP encourages the employment and career development of disabled people and the development and training of those employees who became disabled while in the LLP's employment.

The LLP regularly reviews its responsibilities for the health, safety and welfare of its employees.

The LLP recognises the benefit of keeping employees informed of the business' performance and updates employees by regular communicative reports.

Disclosure of information to auditors

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditors are unaware, and each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Auditors

During the year the members re-appointed KPMG LLP as auditors of the Limited Liability Partnership. A resolution to re-appoint KPMG LLP as auditors will be proposed at the next members meeting.

Approved by the members and signed on their behalf by



12 July 2012

Duncan Weir
Designated Member

Kings Orchard
1 Queen Street
Bristol
BS2 0QH

Statement of members' responsibilities in respect of the Members' Report and the financial statements

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its 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 LLP and to prevent and detect fraud and other irregularities.



KPMG LLP

100 Temple Street
Bristol
BS1 6AG
United Kingdom

Independent auditor's report to the members of Bevan Brittan LLP

We have audited the financial statements of Bevan Brittan LLP for the year ended 30 April 2012 set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of 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 LLP's members those matters we are required to state 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 LLP and the LLP'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 auditor

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members 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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, of the state of affairs of the LLP as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Independent auditor's report to the members of Bevan Brittan LLP
(continued)

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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit



AC Campbell-Orde
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

12 July 2012

Profit and loss account
for the year ended 30 April 2012

	<i>Note</i>	Total 2012 £000	Total 2011 £000
Turnover	1	33,890	34,684
Staff costs	3	(12,928)	(14,812)
Depreciation		(855)	(881)
Other operating charges	2	(11,676)	(10,064)
		<hr/>	<hr/>
Operating profit		8,431	8,927
Interest receivable	4	7	32
Interest payable and similar charges	5	(1,007)	(791)
		<hr/>	<hr/>
Profit for the financial year before members' remuneration and profit shares		7,431	8,168
Members' remuneration charged as an expense		(1,782)	(2,351)
		<hr/>	<hr/>
Profit for the financial year available for discretionary division among members	12	5,649	5,817
		<hr/>	<hr/>

All results relate to continuing operations. The financial statements have been drawn up to 4 May 2012, representing a period of 53 weeks (2011 period of 52 weeks)

The LLP had no recognised gains or losses other than the profit for the year shown above

Balance sheet
at 30 April 2012

	Note	30 April 2012 £000	30 April 2011 £000
Fixed assets			
Tangible assets	6	4,619	5,317
Current assets			
Stocks	7	54	123
Debtors	8	13,646	14,068
Cash at bank and in hand		110	1,155
		<u>13,810</u>	<u>15,346</u>
Creditors amounts falling due within one year	9	(5,252)	(6,401)
Net current assets		<u>8,558</u>	<u>8,945</u>
Total assets less current liabilities		<u>13,177</u>	<u>14,262</u>
Creditors' amounts falling due after more than one year	10	(924)	(1,756)
Provisions for liabilities and charges	11	(1,499)	(1,514)
		<u>10,754</u>	<u>10,992</u>
Net assets		<u>10,754</u>	<u>10,992</u>
Represented by			
Loans and other debts due to members within one year			
Members' capital classified as a liability		3,687	3,681
Other amounts		1,418	1,494
	12	<u>5,105</u>	<u>5,175</u>
Equity			
Members' other interests	12	5,649	5,817
		<u>10,754</u>	<u>10,992</u>
Total members' interests			
Amounts due from members (within debtors)	12	(1,661)	(1,604)
Loans and other debts due to members	12	5,105	5,175
Members' other interests	12	5,649	5,817
		<u>9,093</u>	<u>9,388</u>

These financial statements were approved by the members on 12 July 2012 and were signed on their behalf by

Duncan Weir
Designated member



Cash flow statement

for the year ended 30 April 2012

	Note	2012 £000	2011 £000
Cash flow from operating activities	15	9,087	9,958
Returns on investments and servicing of finance	16	(1,000)	(759)
Capital expenditure	16	(157)	(94)
Transactions with members and former members	16	(7,726)	(11,204)
Cash inflow/(outflow) before management of liquid resources and financing		204	(2,099)
Management of liquid resources	16	-	-
Financing	16	(1,249)	(1,968)
Decrease in cash in the year		(1,045)	(4,067)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the year		(1,045)	(4,067)
Cash outflow from decrease in debt and lease financing	16	1,249	1,968
Movement in net debt in the year	17	204	(2,099)
Net debt at the start of the year	17	(2,211)	(112)
Net debt at the end of the year	17	(2,007)	(2,211)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Going concern

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with United Kingdom applicable law and accounting standards and the Statement of Recommended Practice, 'Accounting by Limited Liability Partnerships'

The financial statements have been drawn up to the 4 May 2012, representing a period of 53 weeks (2011 period of 52 weeks)

Turnover

Turnover represents the right to consideration earned in respect of legal services performed during the year through performance of contractual obligations, net of any sales tax and discounts given to clients. All income arises within the UK. Also included in turnover is income from sub-lease, the value of which is disclosed in note 2

Unbilled revenue

Services provided to clients during the year which, at the balance sheet date, have not been invoiced to clients, have been recognised as turnover in accordance with Financial Reporting Standard 5 'Reporting the substance of transactions', Application Note G 'Revenue Recognition' and the Urgent Issues Task Force Abstract 40 "Revenue recognition and services contracts". Turnover recognised in this manner is based on an assessment of the fair value of the services provided by the balance sheet date as a proportion of the total value of the engagement. Revenue is not recognised on those engagements where the right to receive payment is contingent on factors outside the control of the group. Unbilled revenue is included in debtors

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Leasehold buildings	-	life of lease
Plant and machinery	-	10 years
Fixtures and fittings, IT equipment	-	3 - 4 years

Investments

Fixed asset investments are stated at cost less provision for impairment

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash)

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals and income are charged to the profit and loss account on a straight line basis over the period of the lease.

Dilapidations

Provision is made for dilapidations in respect of property leases which contain requirements for the premises to be returned to their original state prior to the conclusion of the lease term.

Onerous leases

Provision is made for the present value of foreseeable rental commitments in respect of surplus property, after offsetting expected sub-letting income. Surplus property includes premises which will become redundant as a result of steps to which the LLP is demonstrably committed.

Pension costs

The LLP operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the LLP in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Stocks

Work in Progress is held in the balance sheet at the lower of cost and net realisable value. Costs include directly attributable employment costs but exclude those costs associated with equity members, except direct equity member overhead. Also included is a proportionate element of indirect overhead costs.

Capital

The capital requirements of the LLP are determined from time to time by the board. At present, capital is subscribed on a three tier system of £1,000 for fixed share consultants, £50,000 for fixed share members and £165,000 for full members. Capital is due for redemption within 24 months after the date members cease to be members.

Allocation of profits and drawings

The LLP has discretion over when to divide profits. During the year, the membership has formally allocated profits relating to prior periods. No other profits have been formally allocated. Unallocated profits will be formally divided when the Board decides it is appropriate to do so.

During the period members receive monthly drawings. The monthly drawings represent payments on account of current period profits and are reclaimable from members until profits have been formally allocated by the board.

Certain members have contractual elements of remuneration that is not discretionary. These elements are shown in the profit and loss account as 'Members' remuneration charged as an expense' and represent a liability of the LLP.

Taxation

The taxation payable on the profits of the LLP is the personal liability of the members during the period and consequently neither taxation nor related deferred taxation are accounted for in the financial statements. Amounts retained for members' personal tax liabilities 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 an allocation of profits has occurred.

Notes (continued)

2 Notes to the profit and loss account

	2012 £000	2011 £000
<i>Profit before members' remuneration and profit shares is stated after charging/(crediting)</i>		
Auditor's remuneration		
Audit of these financial statements	35	33
Amounts receivable by auditors and their associates in respect of		
- Other services pursuant to legislation	35	33
- Other services relating to taxation	-	2
Depreciation and other amounts written off tangible fixed assets		
- Owned	855	881
Hire of land and buildings – operating leases	3,910	3,646
Hire of other assets – operating leases	150	150
Income from sub lets, included in turnover	(730)	(607)
	<u> </u>	<u> </u>

3 Staff numbers and costs

The average number of persons employed by the group and LLP (including members) during the year, analysed by category, was as follows

	Number of employees	
Category	2012	2011
Fee earning staff	176	191
Trainees	18	23
Secretarial support	29	57
Other support staff	48	67
	<u> </u>	<u> </u>
	271	338
	<u> </u>	<u> </u>

The average staff numbers have been restated for prior year to reflect the average number of employees over the reporting period. In December 2011 it was decided to outsource some of the fee-earner support staff. The ongoing cost of the outsourcing arrangement is recorded within 'Other operating charges'.

The aggregate payroll costs of these persons were as follows

	2012 £000	2011 £000
Wages and salaries	10,775	12,464
Social security costs	1,068	1,242
Other pension costs	1,085	1,106
	<u> </u>	<u> </u>
	12,928	14,812
	<u> </u>	<u> </u>

The LLP does not formally divide current year trading profits amongst members until after the year end. The estimated remuneration of the highest paid member during the year was £422,444 (2011: £405,952).

The average number of members during the year was 32 (2011: 35).

Notes (continued)

4 Interest receivable

	2012 £000	2011 £000
On bank accounts	7	32

5 Interest payable and similar charges

	2012 £000	2011 £000
On bank loans and overdrafts	994	782
On all other loans	5	1
Payments to clients	8	8
	<u>1,007</u>	<u>791</u>

6 Tangible fixed assets

	Buildings and leasehold improvements £000	IT equipment £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost				
At beginning of year	6,372	2,147	2,591	11,110
Additions	108	39	10	157
	<u>6,480</u>	<u>2,186</u>	<u>2,601</u>	<u>11,267</u>
Depreciation				
At beginning of year	2,425	1,946	1,422	5,793
Charge for year	498	88	269	855
	<u>2,923</u>	<u>2,034</u>	<u>1,691</u>	<u>6,648</u>
Net book value				
At 30 April 2012	<u>3,557</u>	<u>152</u>	<u>910</u>	<u>4,619</u>
At 30 April 2011	<u>3,947</u>	<u>201</u>	<u>1,169</u>	<u>5,317</u>

The net book value of buildings comprises solely of short leasehold property

Notes (continued)

7 Stocks

	2012 £000	2011 £000
Work in progress	54	123

8 Debtors

	2012 £000	2011 £000
Trade debtors	7,659	7,714
Unbilled revenue	2,418	3,010
Amounts due from Members (see note 12)	1,661	1,604
Prepayments and accrued income	1,892	1,724
Other debtors	16	16
	<u>13,646</u>	<u>14,068</u>

All debtors are due within one year

9 Creditors: amounts falling due within one year

	2012 £000	2011 £000
Bank loans and overdrafts	1,193	1,610
Trade creditors	988	1,531
Other creditors	733	1,276
Accruals and deferred income	2,338	1,984
	<u>5,252</u>	<u>6,401</u>

Notes (continued)

10 Creditors: amounts falling due after more than one year

	2012 £000	2011 £000
Bank loans (see note 17)	924	1,756
Analysis of debt		
	2012 £000	2011 £000
Debt can be analysed as falling due		
In one year or less, or on demand	1,193	1,610
Between one and two years	924	850
Between two and five years	-	906
	2,117	3,366

Interest rate hedge

Interest rate swaps are used to manage interest rate exposure, and any amounts payable or receivable in respect of the arrangements in place are recognised as interest expense in the profit and loss account in the accounting period in which they arise

Facilities

As at 30 April 2012, the LLP had bank loan facilities totalling £5.1m million and an overdraft facility of £3.0 million, which is renewed annually in October

Security

All members' capital contributions are the personal responsibility of the members. The LLP guarantees to pay any capital repayments and interest due for any member, which remains unpaid at the date when they retire from the LLP, or in the unlikely event that the member defaults

11 Provisions for liabilities and charges

	Onerous leases £000	Dilapidations £000	Professional indemnity £000	Total £000
At beginning of year	708	311	495	1,514
Utilised/released during year	(387)	-	(100)	(487)
Additional amounts provided	210	241	21	472
At end of year	531	552	416	1,499

Notes (continued)

11 Provisions for liabilities and charges (continued)

Onerous leases

Provision is recognised on onerous leased properties to the extent that the continuing rental obligations are not expected to be recovered through sub-letting. The leases to which this provision relates all expire by 2017.

Dilapidations

Dilapidations are provided for on a periodical review and are included in the accounts at the value of the expected costs associated with bringing the relevant property into an acceptable state agreed by both parties. The latest full valuation of these dilapidations obligations was performed by Hartnell Taylor Cook in September 2007 and updated in April 2008. These dilapidations all expire by 2019.

Professional indemnity

A provision for professional indemnity claims is evaluated at each period end, based on the likely outcome of potential claims against the LLP. The values provided for are the excess amounts not covered under the LLP insurance policy.

12 Reconciliation of movements in total members' interests

	Other reserves	Loans and other debts due to/(from) members	Total members' interest
	£000	£000	£000
Amounts due to members	-	5,175	
Amounts due from members	-	(1,604)	
Members' interests at 1 May 2011	5,817	3,571	9,388
Members' remuneration charged as an expense		1,782	1,782
Profit for financial year	5,649	-	5,709
Members' interests after profit for the year	11,466	5,353	16,879
Formal allocation of profits	(5,817)	5,817	-
Introduction of capital	-	151	151
Repayment of capital	-	(145)	(145)
Drawings	-	(7,732)	(7,672)
Members' interests at 04 May 2012	5,649	3,444	9,093
Amounts due to members		5,105	
Amounts due from members		(1,661)	
Members' interests at 04 May 2012	5,649	3,444	9,093

Notes (continued)

12 Reconciliation of movements in total members' interests (continued)

In the event of the LLP going into administration or being wound up, the members' capital, unpaid allocated profits and unallocated profits rank after unsecured creditors who are not members of the LLP

In the event of a winding up, loans and other debts due to members may be set-off against amounts due from members but would otherwise rank as unsecured creditors. Members' other interests rank after unsecured creditors. Members' other reserves include certain amounts retained from profits arising in previous years pending their allocation to members.

13 Commitments

- (a) The LLP had no capital commitments at the end of the financial year (2011 £Nil),
(b) Annual commitments under non-cancellable operating leases are as follows

	2012 £000	2012 £000	2011 £000	2011 £000
	IT	Buildings	IT	Buildings
Operating leases which expire				
Within one year	-	-	-	42
In the second to fifth years inclusive	150	935	150	935
Over five years	-	2,975	-	2,757
	<u>150</u>	<u>3,910</u>	<u>150</u>	<u>3,734</u>

14 Pension scheme

The Limited Liability Partnership operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Limited Liability Partnership to the fund and amounted to £1,085,206 (2011 £1,106,000).

There were £83,702 outstanding contributions at end of the financial year (2011 outstanding contributions of £99,304).

15 Reconciliation of operating profit to operating cash flows

	2012 Total £000	2011 Total £000
Operating profit	8,431	8,927
Depreciation	855	881
Decrease in stocks	69	13
Decrease in non membership debtors	479	505
Decrease in creditors and provisions	(747)	(368)
Net cash inflow from operating activities	<u>9,087</u>	<u>9,958</u>

Notes (continued)

16 Analysis of cash flows

Notes	2012		2011	
	£000	£000	£000	£000
Returns on investment and servicing of finance				
Interest received	7		32	
Interest paid	(1,007)		(791)	
		(1,000)		(759)
Capital expenditure				
Purchase of tangible fixed assets		(157)		(94)
Transactions with members				
Payments to members	(7,732)		(10,505)	
Injection of members' capital	151		115	
Repayment of members' capital	(145)		(814)	
		(7,726)		(11,204)
Financing				
Debt due within one year				
Repayment of bank loans	(2,064)		(2,834)	
New bank loans	815		866	
		(1,249)		(1,968)

Notes (continued)

17 Analysis of net debt

	At beginning of period £000	Cash flows £000	At end of period £000
Cash in hand, at bank	1,155	(1,045)	110
Overdrafts	-	-	-
	<u>1,155</u>	<u>(1,045)</u>	<u>110</u>
Debt due after one year	(1,756)	832	(924)
Debt due within one year	(1,610)	417	(1,193)
	<u>(3,366)</u>	<u>1,249</u>	<u>(2,117)</u>
Total	<u>(2,211)</u>	<u>204</u>	<u>(2,007)</u>

18 Related party transactions

There have been no related party transactions in the year