

Bevan Brittan LLP

Members' report and
financial statements
Registered number OC309219
Year ended 30 April 2010



Bevan Brittan LLP

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Members' report

The members present their annual report and the audited financial statements for the year ended 30 April 2010

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, 2 Queens Street, Bristol BS2 0QH, 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 across three client sectors, which range from Health sector clients to Private and Public Limited Companies

Business review

Over the past two years, our priority has been to strengthen the balance sheet, increase, then maintain profitability to levels in line with our competitors, and to focus on our strategic positioning. These results show we have made good progress in the right direction.

Our balance sheet is now significantly stronger than it was, with Net Assets increased over the past two years. We are particularly pleased with the achievements we have made to reduce the firm's net debt position. We believe that this will give us one of the strongest balance sheets, relative to our size, in the sector, and is a strong platform for future resilience and investment.

Whilst revenue was down on a year on year basis by 8%, on a like for like basis (i.e. excluding exited areas of business) it was a reduction of 4%, which is generally in line with large parts of the market, and reflects a tough economy, a hugely competitive legal market, and is partly a result of our decisions to re-focus our strategy on those areas where we are market leaders.

We expect the economy, changes in our markets and our greater focus to continue to suppress revenues for several years to come.

In addition to strengthening the balance sheet and focusing on cash flow, we have sought to maintain profits at last year's levels and we have slightly exceeded this, with modest growth. These are the firm's highest operating profits since its demerger from Bevan Ashford in 2004/05, and we are starting to achieve margins close to our competitors and returns on the investment in infrastructure made following the demerger. We have achieved this through continuing to manage our people and non-people cost bases tightly and by ensuring we align the number of fee earners with work volumes.

We are also pleased to report that research we commissioned from Kerma Partners in January 2010 indicates that the firm is currently the largest specialist provider of legal services to the core public services markets of Health and Local Government and Registered Social Landlords. We also act for over 100 private sector providers of services to these markets. Their research also shows we have the largest number of high partner rankings in aggregate across these sectors.

During the year we also successfully retained our Investors In People status.

We believe that because of our strengths in both Health and Local Government, we are extremely well-placed to advise current and future clients on how best to respond to the enormous challenges being faced by the public sector over the coming few years.

Our current financial strength will also support us to build ever-more efficient and effective service delivery models and will enable us to attract, retain and reward the best lawyers in our core markets, and thereby to continue to meet our clients' and the market's ever more demanding service level and fee requirements.

Overall these results are testimony to the hard work by our lawyers and by our support staff, to robust cost control, and the ongoing support of satisfied clients.

Members' report *(continued)*

Designated members

The designated members (as defined in the Limited Liability Partnerships Act 2000) during the year were as follows

Joanne Easterbrook (Appointed Designated Member 1st June 2009)
Thomas Ellis (Resigned as Designated Member 5th October 2009)
Bethan Evans (Appointed Designated Member 1st June 2009)
Timothy Heywood (Appointed Designated Member 1st June 2009)
Julian Hoskins (Appointed Designated Member 1st June 2009)
Stephen Hughes (Resigned as Designated Member 1st June 2009)
David Hutton (Resigned as Designated Member 1st June 2009)
Adam Kendall (Appointed Designated Member 1st June 2009)
James Kirkbride (Resigned as Designated Member 1st June 2009)
Iain Miller (Appointed Designated Member 1st June 2009)
Sarah Mumford (Appointed Designated Member 1st June 2009)
Paul Tavener (Resigned as Designated Member 1st June 2009)
Andrew Tobin (Appointed Designated Member 1st June 2009)
Stuart Whitfield (Resigned as Designated Member 24th August 2009)
David Widdowson

Charitable donations

The LLP and staff made donations through a number of fund raising events over the year, the LLP itself contributed £10,494 (2009 £2,806)

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 12 to 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.

Members' report *(continued)*

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

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



Julian Hoskins
Designated Member

Kings Orchard
1 Queen Street
Bristol
BS2 0QH

22nd July 2010

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 auditors' report to the members of Bevan Brittan LLP

We have audited the LLP financial statements ("the financial statements") of Bevan Brittan LLP for the year ended 30 April 2010 set out on pages 7 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with section 495 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 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 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 auditors

The members' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Members' Responsibilities on page 4.

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, have been properly prepared in accordance with UK Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006.

We also report to you if, in our opinion, the LLP has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of members' remuneration specified by law are not made.

We read the Members' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of 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 judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP's circumstances, consistently applied and adequately disclosed.

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

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.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of affairs of the LLP as at 30 April 2010 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 Companies Act 2006



A C Campbell-Orde (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

22 July 2010

Profit and loss account
for the year ended 30 April 2010

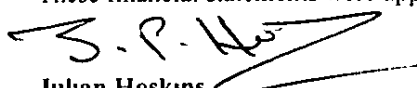
	<i>Note</i>	Total 2010 £000	Total 2009 £000
Turnover	<i>1</i>	38,150	41,062
Staff costs	<i>4</i>	(17,379)	(19,016)
Depreciation		(1,166)	(1,695)
Other operating charges	<i>2</i>	(10,033)	(10,783)
		<hr/>	<hr/>
Operating profit		9,572	9,568
Interest receivable	<i>5</i>	23	128
Interest payable and similar charges	<i>6</i>	(961)	(1,078)
		<hr/>	<hr/>
Profit for the financial year before members' remuneration and profit shares	<i>3</i>	8,634	8,618
Members' remuneration charged as an expense	<i>13</i>	(2,770)	(4,131)
		<hr/>	<hr/>
Profit for the financial year available for discretionary division among members	<i>13</i>	5,864	4,487
		<hr/>	<hr/>

Exceptional items are analysed in note 2. All results relate to continuing operations. The LLP had no recognised gains or losses other than the profit for the year shown above.

Balance sheet
at 30 April 2010

	Note	30 April 2010		30 April 2009	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	7		6,104		7,016
			<u>6,104</u>		<u>7,016</u>
Current assets					
Stocks	8	136		95	
Debtors	9	16,197		20,047	
Cash at bank and in hand		5,222		1,720	
		<u>21,555</u>		<u>21,862</u>	
Creditors amounts falling due within one year	10	(7,048)		(8,136)	
Net current assets			<u>14,507</u>		<u>13,726</u>
Total assets less current liabilities			<u>20,611</u>		<u>20,742</u>
Creditors amounts falling due after more than one year	11		(3,187)		(5,045)
Provisions for liabilities and charges	12		(1,772)		(2,158)
Net assets			<u>15,652</u>		<u>13,539</u>
Represented by					
Loans and other debts due to members within one Year					
Members' capital classified as a liability	13		4,400		4,972
Other amounts			5,388		4,080
			<u>9,788</u>		<u>9,052</u>
Equity					
Members' other interests	13		5,864		4,487
			<u>15,652</u>		<u>13,539</u>
Total members' interests					
Amounts due from members (within debtors)	13		(3,228)		(4,128)
Loans and other debts due to members	13		9,788		9,052
Members' other interests	13		5,864		4,487
			<u>12,424</u>		<u>9,411</u>

These financial statements were approved by the members on 22nd July 2010 and were signed on their behalf by


Julian Hoskins
Designated member

Cash flow statement
for the year ended 30 April 2010

	<i>Note</i>	2010 £000	2009 £000
Cash flow from operating activities	<i>16</i>	12,620	12,447
Returns on investments and servicing of finance	<i>17</i>	(938)	(907)
Capital expenditure	<i>17</i>	(254)	(477)
Transactions with members and former members	<i>17</i>	(5,621)	(6,452)
		<hr/>	<hr/>
Cash inflow before management of liquid resources and financing		5,807	4,611
Management of liquid resources	<i>17</i>	-	-
Financing	<i>17</i>	(2,305)	622
		<hr/>	<hr/>
Increase in cash in the year		3,502	5,233
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the year		3,502	5,233
Cash inflow/(outflow) from decrease/increase in debt and lease financing	<i>17</i>	2,305	(622)
		<hr/>	<hr/>
Movement in net debt in the year	<i>18</i>	5,807	4,611
Net debt at the start of the year	<i>18</i>	(5,919)	(10,530)
		<hr/>	<hr/>
Net debt at the end of the year	<i>18</i>	(112)	(5,919)
		<hr/>	<hr/>

Notes

(forming part of the financial statements)

I 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

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 30th April 2010, representing a period of 52 weeks (*2009 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.

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, tools and 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 junior members and £165,000 for senior members. Capital is due for redemption 12 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 Exceptional items

	2010 £000	2009 £000
Increase in onerous lease provision (note 13)	-	661
	-	661

The increase in onerous lease provisions relate to a one-off revision by management of future expected rental income as a result of perceived changes in the rental market of properties

Restructuring costs relate to a financial restructuring programme including a full review of staffing requirements of the LLP

3 Notes to the profit and loss account

	2010 £000	2009 £000
<i>Profit before members' remuneration and profit shares is stated after charging</i>		
Auditors' remuneration		
Audit of these financial statements	33	33
Amounts receivable by auditors and their associates in respect of		
- Other services pursuant to legislation	33	33
- Other services relating to taxation	10	5
Depreciation and other amounts written off tangible fixed assets		
- Owned	1,166	1,695
Hire of land and buildings – operating leases	3,734	4,000
Amounts recoverable under operating leases	(295)	(245)

Notes (continued)

4 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

Category	Number of employees	
	2010	2009
Fee earning staff	199	221
Trainees	28	32
Secretarial support	64	79
Other support staff	69	86
	<u>360</u>	<u>418</u>

The aggregate payroll costs of these persons were as follows

	2010	2009
	£000	£000
Wages and salaries	14,791	16,143
Social security costs	1,394	1,585
Other pension costs	1,193	1,288
	<u>17,379</u>	<u>19,016</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 £335,397 (2009 £377,387)

The average number of members during the year was 43 (2009 52)

5 Interest receivable

	2010	2009
	£000	£000
On bank accounts	<u>23</u>	<u>128</u>

Notes (continued)

6 Interest payable and similar charges

	2010 £000	2009 £000
On bank loans and overdrafts	953	990
On all other loans	1	30
Payments to clients	7	15
Unwinding of discount factor (see note 12)	-	43
	<u>961</u>	<u>1,078</u>

7 Tangible fixed assets

	Buildings and leasehold improvements £000	IT Equipment £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost				
At beginning of year	6,239	2,011	2,512	10,762
Additions	112	123	19	254
Disposals	-	-	-	-
	<u>6,351</u>	<u>2,134</u>	<u>2,531</u>	<u>11,016</u>
Depreciation				
At beginning of year	1,448	1,381	917	3,746
Charge for year	477	436	253	1,166
Disposals	-	-	-	-
	<u>1,925</u>	<u>1,817</u>	<u>1,170</u>	<u>4,912</u>
Net book value				
At 30 April 2010	<u>4,426</u>	<u>317</u>	<u>1,361</u>	<u>6,104</u>
At 30 April 2009	<u>4,791</u>	<u>630</u>	<u>1,595</u>	<u>7,016</u>

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

Notes (continued)

8 Stocks

	2010 £000	2009 £000
Work in progress	136	95

9 Debtors

	2010 £000	2009 £000
Trade debtors	8,858	10,829
Unbilled revenue	2,464	3,238
Amounts due from Members (see note 13)	3,228	4,128
Prepayments and accrued income	1,629	1,827
Other debtors	18	25
	<u>16,197</u>	<u>20,047</u>

All debtors are due within one year

10 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Bank loans and overdrafts (see note 18)	2,147	2,594
Trade creditors	1,202	1,475
Other creditors including Social Security	1,553	1,677
Accruals and deferred income	2,146	2,390
	<u>7,048</u>	<u>8,136</u>

Notes (continued)

11 Creditors: amounts falling due after more than one year

	2010 £000	2009 £000
Bank loans (see note 18)	3,187	5,045
Analysis of debt		
	2010 £000	2009 £000
Debt can be analysed as falling due		
In one year or less, or on demand	2,147	2,594
Between one and two years	1,264	1,763
Between two and five years	1,923	3,282
	<u>5,334</u>	<u>7,639</u>

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 2010, the LLP had bank loan facilities totalling £5.3m million and an overdraft facility of £3.0 million

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

12 Provisions for liabilities and charges

	Onerous leases £000	Dilapidations £000	Professional indemnity £000	Total £000
At beginning of year	1,486	295	377	2,158
Additions during year	-	-	13	13
Utilised during year	(541)	-	-	(541)
Charge to the profit and loss for the year	137	5	-	142
At end of year	<u>1,082</u>	<u>300</u>	<u>390</u>	<u>1,772</u>

Notes (continued)

12 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.

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.

13 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		9,052	
Amounts due from members		(4,128)	
Members' interests at 1 May 2009	4,487	4,924	9,411
Members' remuneration charged as an expense		2,770	2,770
Profit for financial year	5,864	-	5,864
Members' interests after profit for the year	10,351	7,694	18,045
Formal allocation of profits	(4,487)	4,487	
Introduction of capital		460	460
Repayment of capital		(1,032)	1,032
Drawings		(5,049)	(5,049)
Members' interests at 30 April 2010	5,864	6,560	12,424
Amounts due to members		9,788	
Amounts due from members		(3,228)	
Members' interests at 30 April 2010	5,864	6,560	12,424

Notes (continued)

13 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.

14 Commitments

- (a) The LLP had no capital commitments at the end of the financial year (2009 £Nil)
- (b) Annual commitments under non-cancellable operating leases are as follows

	2010 £000	2009 £000
	Buildings	Buildings
Operating leases which expire		
Within one year	-	-
In the second to fifth years inclusive	977	464
Over five years	2,757	3,270
	<hr/>	<hr/>
	3,734	3,734
	<hr/>	<hr/>

15 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 £1,193,000 (2009 £1,288,000).

There were no outstanding or prepaid contributions at end of the financial year (2009 outstanding contributions of £Nil).

Notes (continued)

16 Reconciliation of operating profit to operating cash flows

	2010 Total £000	2009 Total £000
Operating profit	9,572	9,525
Depreciation	1,166	1,695
Increase in stocks	(41)	(64)
Decrease/increase in non membership debtors	2,950	798
(Decrease)/increase in creditors and provisions	(1,027)	493
	<u>12,620</u>	<u>12,447</u>
Net cash inflow from operating activities	<u>12,620</u>	<u>12,447</u>

17 Analysis of cash flows

	Notes	2010 £000	2009 £000
Returns on investment and servicing of finance			
Interest received	23	128	
Interest paid	(961)	(1,035)	
		<u>(938)</u>	<u>(907)</u>
Capital expenditure			
Purchase of tangible fixed assets	(254)	(477)	
		<u>(254)</u>	<u>(477)</u>
Transactions with members			
Payments to members	(5,049)	(5,963)	
Injection of members' capital	460	1,330	
Repayment of members' capital	(1,032)	(1,819)	
		<u>(5,621)</u>	<u>(6,452)</u>
Management of liquid resources			
Cash on short term deposit	-	-	
		<u>-</u>	<u>-</u>
Financing			
Debt due within one year			
Repayment of bank loans	(3,912)	(3,899)	
New bank loans	1,608	4,521	
		<u>(2,305)</u>	<u>622</u>

Notes (continued)

18 Analysis of net debt

	At beginning of period £000	Cash flows £000	At end of period £000
Cash in hand, at bank	1,720	3,502	5,222
Overdrafts	-	-	-
	<u>1,720</u>	<u>3,502</u>	<u>5,222</u>
Debt due after one year	(5,045)	1,858	(3,187)
Debt due within one year	(2,594)	447	(2,147)
	<u>(7,639)</u>	<u>2,305</u>	<u>(5,334)</u>
Total	<u>(5,919)</u>	<u>5,807</u>	<u>(112)</u>

19 Related party transactions

There have been no related party transactions