

Company Registration No. OC325244

Lewis Hymanson Small Solicitors LLP

Report and Financial Statements

31 December 2013

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Lewis Hymanson Small Solicitors LLP

Report and Financial Statements 2013

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Lewis Hymanson Small Solicitors LLP

Members' Report

Company registration number OC325244

The members present their report on the affairs of Lewis Hymanson Small Solicitors LLP, together with the financial statements and auditor's report, for the year ended 31 December 2013.

Group structure

Lewis Hymanson Small Solicitors LLP, (the 'LLP') is incorporated as a Limited Liability Partnership under the Limited Liability Partnerships Act 2000.

Responsibilities of the Members

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Legislation applicable to limited liability partnerships require the members to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the LLP and of the profit and loss of the LLP for that period. 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 UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008. The members are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Principal Activities

The principal activity of the limited liability partnership during the period was that of providing legal services.

Change of control

On 28 February 2013, Abbey Protection Group Limited acquired the business, assets and all residual rights and obligations of Lewis Hymanson Small Solicitors LLP and became the controlling member. The business will continue to trade as Lewis Hymanson Small Solicitors LLP.

Business review

Following the acquisition by Abbey Protection Group Limited, the LLP has re-focused the business. The LLP has the ability to provide a full range of legal services but has particular specialisms in Regulatory, Fraud, Litigation, Commercial and Employment matters. During the year, work commenced on a large project which will continue into 2014. Additional staff have been recruited to support this project. All external debt finance has been repaid and the business is on a firm footing to take advantage of the general economic improvement anticipated in 2014 and beyond.

Lewis Hymanson Small Solicitors LLP

Members' Report (continued)

Going Concern

The LLP has considerable financial resources together with contracts with a number of customers and suppliers. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite any prevailing uncertainties in the general economic outlook

The Members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Designated Members

The following were designated members during the period:

Mr I N Lewis
Mr G P Small
Mr D Berke
Abbey Protection Group Limited (introduced 28/2/2013)

Policy with respect to Members' drawings and subscription and repayment of Members' capital

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial period, taking into account the anticipated cash needs of the LLP. The member's capital is repayable on demand.

Auditors

Each of the Members at the date of approval of this report confirms that:

- (1) so far as the Member is aware, there is no relevant audit information of which the LLP's auditors are unaware; and
- (2) the Member has taken all the steps that he/she ought to have taken as a Member in order to make himself/herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Members and signed on their behalf.



I N Lewis
Designated Member

24 March 2014

Lewis Hymanson Small Solicitors LLP

Independent Auditor's Report to the Members of Lewis Hymanson Small Solicitors LLP

We have audited the financial statements of Lewis Hymanson Small Solicitors LLP for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance sheet the Statement of accounting policies and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 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. 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 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 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 members and auditor

As explained more fully in the Members' Responsibilities Statement, 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 applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships.

Lewis Hymanson Small Solicitors LLP

Independent Auditor's Report to the Members of Lewis Hymanson Small Solicitors LLP

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 applicable 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.

Other matter

As the LLP was exempt from audit in the prior year we have not audited the corresponding amounts for that year.



Andrew Downes (senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
24 March 2014

Lewis Hymanson Small Solicitors LLP

Profit and loss account for the year ended 31 December 2013

		Year ended 31 December 2013 £000	8 months to 31 December 2012 £000
	Note		
Turnover			
Professional services		3,635	1,556
Operating expenses and charges		(2,793)	(1,372)
Operating profit	4	842	184
Interest receivable		11	-
Realised gain on transfer of business	2	2,058	-
Interest payable		(21)	(39)
Members' remuneration charged as an expense		-	-
Profit for the period available for discretionary division among Members	10	2,890	145

There were no recognised gains or losses, either in the current year or preceding period, other than those included in the profit and loss account and therefore no statement of total recognised gains and losses has been presented.

The profit for the year has been calculated on the historical cost basis.

The LLP's income and expenditure all relate to continuing operations.

Lewis Hymanson Small Solicitors LLP
Company Registration No. OC325244
Balance sheet
at 31 December 2013

	Note	2013 £000	2012 £000
Fixed assets			
Tangible assets	6	19	12
		<u>19</u>	<u>12</u>
Current assets			
Work in progress		618	558
Debtors and prepayments	7	819	687
Cash at bank and in hand		845	-
Client account balances		671	443
Less: balances due to clients		(671)	(443)
		<u>2,282</u>	<u>1,245</u>
Creditors: amounts falling due within one year	9	(720)	(1,885)
		<u>1,562</u>	<u>(640)</u>
Net current assets/(liabilities)			
		<u>1,581</u>	<u>(628)</u>
Total net assets/(liabilities)		<u>1,581</u>	<u>(628)</u>
Represented by:			
Members' capital classified as a liability	10	40	-
Members' other interests	10	1,541	(628)
Loans and other debts due to members	10	-	-
		<u>1,581</u>	<u>(628)</u>
Total Members' Interests		<u>1,581</u>	<u>(628)</u>

The financial statements were approved by the members and authorised for issue on 24 March 2014. They were signed on the members' behalf by:



I N Lewis

Designated Member

Lewis Hymanson Small Solicitors LLP

Notes to the accounts

Year ended 31 December 2013

1. Accounting policies

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

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including the Statement of Recommended Practice ("the SORP") 'Accounting by Limited Liability Partnerships' issued March 2010 and under the historical cost convention.

The members have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the LLP it is controlled by an undertaking whose ultimate parent prepares a group cash flow statement in its financial statements. As such, no cash flow statement is presented.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for professional services net of value added tax.

Work in progress

Unbilled fees, where the ability to recover fees on a matter is non-contingent, are recognised on the basis of time spent and are valued at the amount expected to be billed in respect of that time. They are included as part of Current Assets.

Going concern

The financial statements are prepared on the going concern basis as explained within the Members' Report on page 2.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, evenly over its expected useful life as follows:

Fixtures, fittings and other equipment - over 4 to 5 years

Leased assets

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Taxation

Taxation payable on profits of the LLP is the personal liability of the members, and accordingly, no provision is made in the financial statements.

Members' remuneration

Remuneration paid to members represents a division of profits and is recognised as an appropriation of equity.

Contributions payable to the personal money purchase pension schemes operated by group companies are charged to the profit and loss account in the period to which they relate.

Lewis Hymanson Small Solicitors LLP

Notes to the accounts (continued)

Year ended 31 December 2013

2. Business transfer

On 28 February 2013, Abbey Protection Group Limited Limited acquired the business, assets and all residual rights and obligations of Lewis Hymanson Small Solicitors LLP and became the controlling member. The transaction was structured to transfer the economic value of the business as at 1 January 2013. Consequently, net liabilities of £628,000 as analysed in the balance sheet as at 31 December 2012 were transferred for a total estimated consideration of £1,430,000. The resulting gain has been allocated in full to the Members. Deferred consideration receivable is shown within the balance sheet as part of balances with group undertakings with an equal amount shown in loans and other debts due to the Members. Following the sale of the business and assets to Abbey Protection Group Limited, the following net assets were sold back to Lewis Hymanson Small Solicitors LLP at cost:

	£
Fixed Assets	12,417
Work in progress	557,500
Debtors	416,592
Prepayments	123,068
Petty Cash	152
Creditors	(170,985)
Office Bank	(426,828)
Other taxes and social security	(160,642)
Loans payable	(109,607)
Client Account balances	
Bank balances	443,455
Amounts due to clients	(443,455)
Net Assets	<u>241,667</u>

The business will continue to trade as Lewis Hymanson Small Solicitors LLP.

3. Segmental reporting

The income and operating profit for the year are derived from the LLP's principal activities carried out wholly in the UK and are considered to represent one operating segment and one geographical market.

4. Profit on ordinary activities before taxation

	8 months to 31 December	
	2013 £000	2012 £000
The profit on ordinary activities before taxation is stated after charging:		
Licence fee for use of intellectual property	46	-
Depreciation	9	4
Auditor's remuneration for:		
- fees for statutory audit services	13	-
Operating leases		
- land and buildings	36	35
- plant and machinery	-	-

Lewis Hymanson Small Solicitors LLP

Notes to the accounts (continued) **Year ended 31 December 2013**

5. Staff costs

		8 months to 31 December
	2013 £000	2012 £000
Wages and salaries	1,100	612
Social security costs	102	56
Other pension costs	55	18
	<u>1,257</u>	<u>686</u>

The average number of staff employed within the LLP during the year was 33 (2012: 30).

6. Tangible fixed assets

	Fixtures, Fittings and Office Equipment
	£000
Cost	
At 1 January 2013	322
Additions in the period	16
Disposals	(60)
	<u>278</u>
At 31 December 2013	<u>278</u>
Depreciation	
At 1 January 2013	310
Charge for the year	9
Disposals	(60)
	<u>259</u>
At 31 December 2013	<u>259</u>
Net book value	
At 31 December 2013	<u>19</u>
At 31 December 2012	<u>12</u>

Lewis Hymanson Small Solicitors LLP

Notes to the accounts (continued) Year ended 31 December 2013

7. Debtors and prepayments

	2013 £000	2012 £000
<i>Due within one year</i>		
Trade debtors	574	562
Amounts owed to group undertakings	31	-
Other debtors	2	2
Prepayments & accrued interest	212	123
	<u>819</u>	<u>687</u>

8. Cash at bank and in hand

Included in cash at bank and in hand are balances totalling £671,000 (2012: £443,000) which are held in trust on behalf of clients and are not therefore available for use by the LLP.

9. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Bank loans	-	466
Trade creditors	47	243
Amounts owed to group undertakings	57	-
Other taxes and social security	264	161
Accruals and deferred income	234	75
Other creditors	118	870
Other loans	-	70
	<u>720</u>	<u>1,885</u>

Lewis Hymanson Small Solicitors LLP

Notes to the accounts (continued) Year ended 31 December 2013

10. Members' interests

	Capital Contribution £000	Members other interests £000	Loans and other debts due to Members £000	Total £000
Members' interests at 1 January 2013	-	(628)	-	(628)
Profit for the financial year available for discretionary division among the Members	-	2,890	-	2,890
Capital subscribed	40	-	-	40
Transfer	-	(721)	721	-
Members' drawings	-	-	(721)	(721)
Members' interests at 31 December 2013	<u>40</u>	<u>1,541</u>	<u>-</u>	<u>1581</u>

Loans and other debts due to Members include £602,000 (2012: £nil) of deferred purchase consideration which is expected to be paid after more than 12 months.

11. Related party transactions

The LLP has taken advantage of the exemption in Financial Reporting Standard 8 in respect of transactions with group companies included within the consolidated accounts of the ultimate holding company.

12. Operating lease commitments

At 31 December 2013 the LLP had the following annual commitments under non-cancellable operating leases:

	Land and buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Operating leases which expire:				
Within one year	-	-	-	-
Between two and five years	33	35	-	-
After more than five years	-	-	-	-
	<u>33</u>	<u>35</u>	<u>-</u>	<u>-</u>

13. Controlling party

Abbey Protection Group Limited is the LLP's controlling party. The LLP's results are consolidated into the accounts of Abbey Protection plc, its ultimate controlling party as at the balance sheet date, which is incorporated in the United Kingdom. The financial statements of Abbey Protection plc can be obtained from Minorities House, 2-5 Minorities, London, EC3N 1BJ.

Lewis Hymanson Small Solicitors LLP

Notes to the accounts (continued) **Year ended 31 December 2013**

14. Post balance sheet events

On 17 January 2014, Abbey Protection plc, the LLP's ultimate controlling party was acquired by Markel Capital Holdings Ltd. From that date, the LLP's ultimate controlling party is Markel Corporation which is listed on the New York stock exchange.