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**HEWITSONS LLP**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2013**

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**HEWITSONS LLP**

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**HEWITSONS LLP**

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**INFORMATION**

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**LLP registered number**    OC334689

**Registered office**        Shakespeare House  
42 Newmarket Road  
Cambridge  
CB5 8EP

**Independent auditors**    Peters Elworthy & Moore  
Chartered Accountants  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

**Bankers**                    Lloyds TSB Bank Plc  
Endeavour House  
Chivers Way  
Cambridge  
CB24 PZR

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## HEWITSONS LLP

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### MEMBERS' REPORT FOR THE YEAR ENDED 30 APRIL 2013

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The members present their annual report together with the audited financial statements of Hewitsons LLP (the LLP and the group) for the year ended 30 April 2013

#### PRINCIPAL ACTIVITY

The principal activity of the firm during the year was the provision of legal services

#### MEMBERS

The following were members of the LLP during the year -

J Shephard  
C R B Hewitson  
R G Ingram  
S G Biggin (Designated member)  
C E V Colacicchi (Designated member)  
T J Richards  
D A Hopkins (Designated member)  
J T Dix (Designated member)  
J P Lawrence  
W G H Thatcher  
J A Williams  
D W Browne  
T S Middleton  
D J Sharples (Designated member)  
C D Jones  
D J Curtis  
D Wilkinson  
G R Williams  
N J Hall  
R I McLellan  
M D Carter  
K P W Fletcher  
N T Harpham  
Y M Morgan  
C L Howard  
C H Knight  
C R Waller  
L L J Brown  
V C Lambert  
C M Bagley  
M D M Smith  
B C O'Reilly

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## HEWITSONS LLP

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### MEMBERS' REPORT (continued) FOR THE YEAR ENDED 30 APRIL 2013

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#### MEMBERS' CAPITAL AND INTERESTS

Each member's subscription to the capital of the LLP is repayable following retirement from the LLP

Members are remunerated from the profits of the LLP and make their own provision for pensions. Profits are allocated between members after finalisation of the financial statements. Members are permitted to make conservative drawings during the year in anticipation of profits which will be allocated to them. The amount of such drawings is set each year taking into account the anticipated working capital requirements of the LLP.

#### MEMBERS' RESPONSIBILITIES STATEMENT

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

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, as applied to LLPs, 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 the group and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the LLP and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITORS

The auditors, Peters Elworthy & Moore, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on *28th September 2013* and signed on their behalf by

  
J. T. Dix  
Designated member

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## **HEWITSONS LLP**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEWITSONS LLP**

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We have audited the financial statements of Hewitsons LLP for the year ended 30 April 2013, set out on pages 6 to 26. 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 LLP's members in accordance with the Companies Act 2006, as applied by Part 12 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 for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITORS**

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 group's and the parent LLP'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 members' report to identify material inconsistencies with the audited financial statements. 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 group's and the parent LLP's affairs as at 30 April 2013 and of the group's results 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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**HEWITSONS LLP**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEWITSONS LLP**

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**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 by the parent LLP, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent LLP 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

Kelly Whitehouse (senior statutory auditor)

for and on behalf of

**Peters Elworthy & Moore**

Chartered Accountants

Statutory Auditor

Salisbury House

Station Road

Cambridge

CB1 2LA

8 November 2013

**HEWITSONS LLP**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>			
Group and share of joint venture's turnover		12,944,473	12,871,235
Less share of joint venture's turnover		(32,235)	(32,429)
Group turnover	1,2	12,912,238	12,838,806
Administrative expenses		(9,055,167)	(9,078,591)
Other operating income	3	117,854	107,493
<b>OPERATING PROFIT</b>	4	3,974,925	3,867,708
Share of operating profit in joint ventures		839	1,232
<b>TOTAL OPERATING PROFIT</b>		3,975,764	3,868,940
Income from other participating interests		1,663	(279)
Profit on disposal of investments		879	-
Interest receivable and similar income	7	173,502	139,909
Interest payable and similar charges	8	(123,542)	(141,026)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		4,028,266	3,867,544
Share of joint venture tax on profit on ordinary activities		(258)	(345)
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>		4,028,008	3,867,199
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>		4,028,008	3,867,199
Members' remuneration charged as an expense		(4,028,008)	(3,867,199)
<b>RESULT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		-	-

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account

The notes on pages 11 to 26 form part of these financial statements



**HEWITSONS LLP**  
**REGISTERED NUMBER: OC334689**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 APRIL 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	9		3,175,662		3,269,612
Investments	10		-		1
Investments in joint ventures					
-Share of gross assets		72,566		63,803	
-Share of gross liabilities		(18,804)		(11,073)	
Share of net assets	10		53,762		52,730
			3,229,424		3,322,343
<b>CURRENT ASSETS</b>					
Debtors	12	5,480,430		5,046,977	
Cash at bank		655,868		355,330	
		6,136,298		5,402,307	
<b>CREDITORS:</b> amounts falling due within one year	13	(3,840,285)		(1,455,625)	
<b>NET CURRENT ASSETS</b>			2,296,013		3,946,682
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,525,437		7,269,025
<b>CREDITORS:</b> amounts falling due after more than one year	14		(1,466,500)		(3,681,403)
<b>PROVISIONS FOR LIABILITIES</b>					
Other provisions	15		(175,825)		(155,300)
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>			3,883,112		3,432,322
<b>REPRESENTED BY:</b>					
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS WITHIN ONE YEAR</b>					
Members' capital classified as a liability under FRS 25			4,008,376		3,557,586
<b>EQUITY</b>					
Other reserves			(125,264)		(125,264)
			3,883,112		3,432,322

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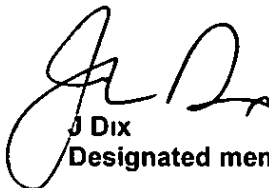
HEWITSONS LLP

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**TOTAL MEMBERS' INTERESTS**

Loans and other debts due to members	4,008,376	3,557,586
Members' other interests	(125,264)	(125,264)
22	<u>3,883,112</u>	<u>3,432,322</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on *28th September 2013*

  
J Dix  
Designated member


The notes on pages 11 to 26 form part of these financial statements

**HEWITSONS LLP**  
**REGISTERED NUMBER OC334689**

**LLP BALANCE SHEET**  
**AS AT 30 APRIL 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	9		3,175,662		3,269,612
Investments	10		150,003		150,004
			<u>3,325,665</u>		<u>3,419,616</u>
<b>CURRENT ASSETS</b>					
Debtors	12	5,509,452		5,074,961	
Cash at bank		655,868		355,330	
		<u>6,165,320</u>		<u>5,430,291</u>	
<b>CREDITORS:</b> amounts falling due within one year	13	(3,840,284)		(1,455,618)	
<b>NET CURRENT ASSETS</b>			<u>2,325,036</u>		<u>3,974,673</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,650,701</u>		<u>7,394,289</u>
<b>CREDITORS:</b> amounts falling due after more than one year	14		(1,466,500)		(3,681,403)
<b>PROVISIONS FOR LIABILITIES</b>					
Other provisions	15		(175,825)		(155,300)
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>			<u>4,008,376</u>		<u>3,557,586</u>
<b>REPRESENTED BY:</b>					
Members' capital classified as a liability under FRS 25			4,008,376		3,557,586
			<u>4,008,376</u>		<u>3,557,586</u>
<b>TOTAL MEMBERS' INTERESTS</b>					
Loans and other debts due to members			4,008,376		3,557,586
	22		<u>4,008,376</u>		<u>3,557,586</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on *28th September 2013*

  
**J Dix**  
**Designated member**

The notes on pages 11 to 26 form part of these financial statements

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**HEWITSONS LLP**

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**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2013**

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	Note	2013 £	2012 £
Net cash flow from operating activities	16	4,053,658	4,031,114
Returns on investments and servicing of finance	17	51,172	(1,824)
Capital expenditure and financial investment	17	(41,484)	(92,964)
Acquisitions and disposals	17	880	-
Net cash flow from transactions with members	17	(3,577,218)	(2,819,544)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>487,008</b>	<b>1,116,782</b>
Financing	17	(186,470)	(133,519)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>300,538</b>	<b>983,263</b>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 30 APRIL 2013**

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	2013 £	2012 £
Increase in cash in the year	300,538	983,263
Cash outflow from decrease in debt and lease financing	3,763,688	2,953,063
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>4,064,226</b>	<b>3,936,326</b>
Other non-cash changes	(4,028,007)	(3,867,200)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>36,219</b>	<b>69,126</b>
Opening net debt (1 May)	(7,183,051)	(7,252,177)
<b>CLOSING NET DEBT (30 APRIL)</b>	<b>(7,146,832)</b>	<b>(7,183,051)</b>

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The notes on pages 11 to 26 form part of these financial statements

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## HEWITSONS LLP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships"

##### 1.2 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Hewitsons LLP and all of its subsidiary undertakings ('subsidiaries')

The LLP has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

##### 1.3 TURNOVER

Turnover comprises revenue recognised by the LLP in respect of services supplied during the year, exclusive of Value Added Tax

##### 1.4 AMOUNTS RECOVERABLE ON CONTRACTS

Unbilled fees, where the ability to recover fees on a matter is non contingent, are recognised on the basis of time spent, discounted for recovery rates on different types of work, and are valued at the amount expected to be billed in respect of that time. These are included within Current Assets

##### 1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	20% straight line
Furniture & equipment	-	10% straight line
Computer equipment	-	10% - 33% straight line

The Freehold Property have not been depreciated. This represents a departure from Financial Reporting Standard 15. The members consider the continual maintenance of this property ensures the market value is in excess of the carrying value.

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## HEWITSONS LLP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 INVESTMENTS

- (i) Associated undertakings  
Investments in associates for which significant influence over the associate's operating and financial policies is not exercised, are included in both the consolidated financial statements and the LLP's individual financial statements at cost, less any amounts written off
- (ii) Joint venture undertakings  
Investments in joint ventures are included in the consolidated financial statements at the LLP's share of net assets. The LLP's share of the profits or loss of the joint venture is included in the consolidated profit and loss account using the equity accounting method

Investments in joint ventures are included in the LLP's individual financial statements at cost, less any amounts written off

The LLP's share of the undistributed profit or loss of the joint venture or associate is accrued and included in the LLP's individual financial statements, to avoid disadvantage to current LLP members. Future distributions by the joint venture or associate will be offset against the accrued amounts.

##### 1.7 LEASING AND HIRE PURCHASE

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

##### 1.8 OPERATING LEASES

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### 1.9 PROVISIONS

Provision is made for the estimated cost of reinstatement in respect of various properties leased by the LLP where there is a contractual requirement to return the premises to their original state prior to the conclusion of the lease term.

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## HEWITSONS LLP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.10 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

##### 1.11 PENSIONS

The LLP operates a group personal pension scheme, the assets and liabilities of which are held independently from the LLP, and also makes contributions to a stakeholder scheme on behalf of employees. The pension charge included in the profit and loss account represents the amounts payable by the LLP to the funds in respect of the year.

##### 1.12 ALLOCATION OF PROFITS AND DRAWINGS

There are no members paid under a contract of employment

During the year the members set the level of members' monthly drawings after considering the interim profit calculations and the LLP's working capital needs. The LLP agreement provides that profits are allocated and divided between members after finalisation of the financial statements. Such payments are accounted for as an expense and are shown in members' remuneration.

##### 1.13 TAXATION

The taxation payable on the profits is the personal liability of members during the year. Consequently no reserve is made for taxation in these financial statements and the profits are allocated to the members without any deduction for tax.

#### 2. TURNOVER

The whole of the Group Turnover is attributable to the provision of legal services

Turnover relating to clients based overseas is treated as turnover within the UK where (in all material respects) the work is carried out

#### 3. OTHER OPERATING INCOME

	2013 £	2012 £
Recharged expenses	85,597	81,945
Sundry income	2,257	548
Management fees receivable	30,000	25,000
	<u>117,854</u>	<u>107,493</u>

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HEWITSONS LLP

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013

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4. OPERATING PROFIT

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the group	124,435	78,292
- held under finance leases	9,504	7,171
Operating lease rentals		
- plant and machinery	65,417	65,414
- other operating leases	192,707	220,216
Auditors Remuneration	8,500	8,500
	<u>          </u>	<u>          </u>

5. STAFF COSTS

Staff costs were as follows

	2013 £	2012 £
Wages and salaries	5,090,159	5,265,328
Social security costs	552,398	545,140
Other pension costs	302,973	318,371
	<u>5,945,530</u>	<u>6,128,839</u>

The average monthly number of persons employed during the year was as follows

	2013 Number	2012 Number
Legal, management and administration	<u>170</u>	<u>177</u>



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HEWITSONS LLP

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013

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**6 INFORMATION IN RELATION TO MEMBERS**

	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
The average number of members during the year was	<b>32</b>	<b>32</b>
	<b>£</b>	<b>£</b>
The amount of profit attributable to the member with the largest entitlement was	<b>157,674</b>	<b>150,674</b>

**7. INTEREST RECEIVABLE**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Share of joint venture interest receivable	<b>451</b>	<b>428</b>
Other interest receivable	<b>173,051</b>	<b>139,481</b>
	<b>173,502</b>	<b>139,909</b>

**8. INTEREST PAYABLE**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	<b>121,934</b>	<b>136,303</b>
On finance leases and hire purchase contracts	<b>1,608</b>	<b>4,723</b>
	<b>123,542</b>	<b>141,026</b>

**HEWITSONS LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013**

**9 TANGIBLE FIXED ASSETS**

<b>GROUP AND LLP</b>	<b>Freehold property £</b>	<b>Motor vehicles £</b>	<b>Furniture &amp; Equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>COST</b>					
At 1 May 2012	2,988,441	116,662	483,422	736,043	4,324,568
Additions	-	21,500	5,109	19,080	45,689
Disposals	-	(33,314)	-	(15,545)	(48,859)
At 30 April 2013	2,988,441	104,848	488,531	739,578	4,321,398
<b>DEPRECIATION</b>					
At 1 May 2012	-	76,200	442,145	536,611	1,054,956
Charge for the year	-	17,916	12,566	103,457	133,939
On disposals	-	(33,314)	-	(9,845)	(43,159)
At 30 April 2013	-	60,802	454,711	630,223	1,145,736
<b>NET BOOK VALUE</b>					
At 30 April 2013	2,988,441	44,046	33,820	109,355	3,175,662
At 30 April 2012	2,988,441	40,462	41,277	199,432	3,269,612

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows

<b>GROUP AND LLP</b>	<b>2013 £</b>	<b>2012 £</b>
Motor vehicles	32,015	21,520

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**HEWITSONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013**

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**10 FIXED ASSET INVESTMENTS**

	Investments in associates £	Investment in joint venture £	Total £
<b>GROUP</b>			
<b>COST OR VALUATION</b>			
At 1 May 2012	1	52,730	52,731
Disposals	(1)	-	(1)
Share of profit/(loss)	-	1,032	1,032
	<hr/>	<hr/>	<hr/>
At 30 April 2013	-	53,762	53,762
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 30 April 2013	-	53,762	53,762
	<hr/>	<hr/>	<hr/>
At 30 April 2012	1	52,730	52,731
	<hr/>	<hr/>	<hr/>
	Investments in associates £	Investment in joint venture £	Total £
<b>LLP</b>			
<b>COST OR VALUATION</b>			
At 1 May 2012	4	150,000	150,004
Disposals	(1)	-	(1)
	<hr/>	<hr/>	<hr/>
At 30 April 2013	3	150,000	150,003
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 30 April 2013	3	150,000	150,003
	<hr/>	<hr/>	<hr/>
At 30 April 2012	4	150,000	150,004
	<hr/>	<hr/>	<hr/>

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**HEWITSONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013**

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**11. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

**a. SUBSIDIARIES**

<b>Company name</b>	<b>Percentage Shareholding</b>	<b>Description</b>
HS Secretarial Limited	100%	Dormant
Hewitsons Nominees Limited	100%	Dormant

**b. JOINT VENTURES**

<b>Company name</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Affinity Investment Management Limited	50%	Investment management consultancy services

**c. ASSOCIATES**

<b>Company name</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Spencer Partners Corporate Finance Limited	33.3%	Corporate finance advice

During the year the LLP disposed of its investment in Spencer Partners Corporate Finance Limited

**12. DEBTORS**

	<b>GROUP</b>		<b>LLP</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>2,917,361</b>	2,522,562	<b>2,917,361</b>	2,522,562
Amounts owed by undertakings in which the company has a participating interest	-	-	<b>29,026</b>	27,994
Other debtors	<b>44</b>	1,022	<b>40</b>	1,013
Prepayments and accrued income	<b>608,527</b>	608,747	<b>608,527</b>	608,746
Amounts recoverable on contracts	<b>1,954,498</b>	1,914,646	<b>1,954,498</b>	1,914,646
	<b>5,480,430</b>	5,046,977	<b>5,509,452</b>	5,074,961

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**HEWITSONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013**

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**13. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>LLP</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank and other loans	<b>2,314,421</b>	287,777	<b>2,314,421</b>	287,777
Net obligations under finance leases and hire purchase contracts	<b>13,403</b>	11,615	<b>13,403</b>	11,615
Trade creditors	<b>604,425</b>	484,892	<b>604,425</b>	484,892
Amounts owed to associates	-	1,663	-	1,663
Other taxation and social security	<b>386,625</b>	250,680	<b>386,625</b>	250,680
Other creditors	<b>289,629</b>	193,076	<b>289,630</b>	193,076
Accruals and deferred income	<b>231,782</b>	225,922	<b>231,780</b>	225,915
	<b>3,840,285</b>	1,455,625	<b>3,840,284</b>	1,455,618

**14. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>GROUP AND LLP</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>1,458,000</b>	3,674,000
Net obligations under finance leases and hire purchase contracts	<b>8,500</b>	7,403
	<b>1,466,500</b>	3,681,403

Included within the above are amounts falling due as follows

	<b>GROUP AND LLP</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>BETWEEN ONE AND TWO YEARS</b>		
Bank loans	<b>216,000</b>	2,216,000
<b>BETWEEN TWO AND FIVE YEARS</b>		
Bank loans	<b>1,242,000</b>	1,458,000

**HEWITSONS LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013**

**14. CREDITORS.  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	<b>GROUP AND LLP</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Between one and five years	<b>8,500</b>	<b>7,403</b>

The terms of the bank loans above include financial covenants requiring that net assets attributable to members are maintained at a level no less than the minimum net assets requirement as agreed between the two parties

Lloyds Bank plc hold a legal mortgage over the freehold property known as Shakespeare House, 42 Newmarket Road, Cambridge

**15 PROVISIONS**

<b>GROUP AND LLP</b>	<b>Dilapidations £</b>
At 1 May 2012	<b>155,300</b>
Additions	<b>20,525</b>
At 30 April 2013	<b>175,825</b>

**DILAPIDATIONS**

Operational leases for properties that the firm occupies contain a requirement for the premises to be returned to their original state at the conclusion of the lease. The above dilapidation provision constitutes the accumulated cost of reinstating the properties to their original state as at 30 April 2013, based on an independent examination by a chartered surveyor

**16. NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2013 £</b>	<b>2012 £</b>
Operating profit	<b>3,974,925</b>	<b>3,867,708</b>
Depreciation of tangible fixed assets	<b>133,939</b>	<b>85,463</b>
Loss/(profit) on disposal of tangible fixed assets	<b>1,495</b>	<b>(2,750)</b>
(Increase)/decrease in debtors	<b>(433,452)</b>	<b>151,567</b>
Increase/(decrease) in creditors	<b>356,226</b>	<b>(80,177)</b>
Increase in provisions	<b>20,525</b>	<b>9,303</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>4,053,658</b>	<b>4,031,114</b>

HEWITSONS LLP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013

17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	173,051	139,481
Interest paid	(121,934)	(136,303)
Hire purchase interest	(1,608)	(4,723)
Income from investments in related companies	1,663	(279)
<b>NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>51,172</b>	<b>(1,824)</b>
	2013 £	2012 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(45,689)	(95,714)
Sale of tangible fixed assets	4,205	2,750
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>(41,484)</b>	<b>(92,964)</b>
	2013 £	2012 £
<b>TRANSACTIONS WITH MEMBERS</b>		
Payments to members	(3,577,218)	(2,914,044)
Contributions by members	-	94,500
<b>NET CASH OUTFLOW FROM TRANSACTIONS WITH MEMBERS</b>	<b>(3,577,218)</b>	<b>(2,819,544)</b>
<b>Analysed as follows.</b>		
Net transactions with members relating to equity	-	-
Net transactions with members relating to debt	(3,577,218)	(2,819,544)
	<b>(3,577,218)</b>	<b>(2,819,544)</b>
	2013 £	2012 £
<b>ACQUISITIONS AND DISPOSALS</b>		
Sale of share in associates	880	-

**HEWITSONS LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013**

**17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2013 £	2012 £
<b>FINANCING</b>		
Repayment of loans	(189,355)	(144,224)
New finance leases	2,885	10,705
<b>NET CASH OUTFLOW FROM FINANCING</b>	<u>(186,470)</u>	<u>(133,519)</u>

**18. ANALYSIS OF CHANGES IN NET DEBT**

	1 May 2012 £	Cash flow £	Other non-cash changes £	30 April 2013 £
Cash at bank and in hand	355,330	300,538	-	655,868
<b>DEBT.</b>				
Debts due within one year	(299,392)	186,470	(2,214,902)	(2,327,824)
Debts falling due after more than one year	(3,681,403)	-	2,214,903	(1,466,500)
Loans and other debts due to members	(3,557,586)	3,577,218	(4,028,008)	(4,008,376)
<b>NET DEBT</b>	<u>(7,183,051)</u>	<u>4,064,226</u>	<u>(4,028,007)</u>	<u>(7,146,832)</u>

**19. PENSION COMMITMENTS**

The LLP operates a group personal pension scheme for employees. The assets of the scheme are administered in a fund independent from those of the LLP. The LLP also makes contributions to a stakeholder scheme on behalf of employees. The pension cost charge represents contributions paid by the LLP to the funds and amounted to £302,973 (2012 - £297,771).

At the year end contributions amounting to £NIL (2012 - £NIL) remained outstanding.



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## HEWITSONS LLP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

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#### 20. OPERATING LEASE COMMITMENTS

At 30 April 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		2013	Other
	2013	2012		2012
GROUP AND LLP	£	£	£	£
EXPIRY DATE:				
Within 1 year	114,000	-	55,742	6,396
Between 2 and 5 years	96,525	174,000	7,254	75,442
After more than 5 years	-	36,525	-	-

#### 21. TRANSACTIONS WITH MEMBERS

Owing to the nature of the LLP's operations and the composition of its members, it is inevitable that transactions will take place with organisations in which a member of the LLP has an interest. All transactions involving organisations in which a member of the LLP may have an interest are conducted at arm's length and in accordance with the LLP's normal procedures.

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**HEWITSONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013**

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**22 RECONCILIATION OF MEMBERS' INTERESTS**

<b>GROUP</b>	<b>Other reserves £</b>	<b>Loans and debts due to members less any amounts due from members in debtors £</b>	<b>Total £</b>
Members' interests balance at 1 May 2011	(125,264)	2,509,930	2,384,666
Members' interests after profit for the year	(125,264)	2,509,930	2,384,666
Allocated profit for period	-	3,867,199	3,867,199
Amounts introduced by members	-	94,500	94,500
Amounts withdrawn by members	-	(2,914,043)	(2,914,043)
Members' interests balance at 1 May 2012	(125,264)	3,557,586	3,432,322
Members' interests after profit for the year	(125,264)	3,557,586	3,432,322
Allocated profit for period	-	4,028,008	4,028,008
Amounts introduced by members	-	-	-
Amounts withdrawn by members	-	(3,577,218)	(3,577,218)
Members' interests at 30 April 2013	(125,264)	4,008,376	3,883,112

The other reserves above represent the undistributed share of the Affinity Investment Management Limited accumulated loss attributable to Hewitsons LLP, prior to incorporation of the LLP in 2008

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HEWITSONS LLP

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013

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22. RECONCILIATION OF MEMBERS' INTERESTS (continued)

LLP	Loans and debts due to members less any amounts due from members in debtors £	Total £
Members' interests balance at 1 May 2011	2,509,930	2,509,930
Members' interests after profit for the year	2,509,930	2,509,930
Allocated profit for period	3,867,199	3,867,199
Amounts introduced by members	94,500	94,500
Amounts withdrawn by members	(2,914,043)	(2,914,043)
Members' interests balance at 1 May 2012	3,557,586	3,557,586
Members' interests after profit for the year	3,557,586	3,557,586
Allocated profit for period	4,028,008	4,028,008
Amounts introduced by members	-	-
Amounts withdrawn by members	(3,577,218)	(3,577,218)
Members' interest at 30 April 2013	4,008,376	4,008,376

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**HEWITSONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2013**

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**23. LOANS AND OTHER DEBTS DUE TO MEMBERS**

	<b>Members' Capital £</b>	<b>Members' Current Accounts £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Amounts brought forward	<b>2,080,750</b>	<b>1,476,836</b>	<b>3,557,586</b>	2,509,930
Remuneration of members charged as an expense	-	<b>4,028,008</b>	<b>4,028,008</b>	3,867,199
Members' funds introduced	-	-	-	94,500
Members' interests after profit for the year	<b>2,080,750</b>	<b>5,504,844</b>	<b>7,585,594</b>	<b>6,471,629</b>
Drawings	-	<b>(3,367,218)</b>	<b>(3,367,218)</b>	(2,914,043)
Transfers between current and capital accounts	<b>12,250</b>	<b>(12,250)</b>	-	-
Amounts due to members	<b>(210,000)</b>	-	<b>(210,000)</b>	-
Total	<b>1,883,000</b>	<b>2,125,376</b>	<b>4,008,376</b>	<b>3,557,586</b>

Loans and other debts due to members rank pari passu with other creditors on a winding up