

Capsticks Solicitors LLP

Members' Report and Financial Statements Year Ended 30 April 2015

Registration number OC340360

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Capsticks Solicitors LLP

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Capsticks Solicitors LLP

Partnership Information

| | |
|---------------------------|---|
| Designated members | Mr P W Brown |
| | Mr P J Edwards |
| | Mr C E Lynch |
| | Mrs A Morley |
| Registered office | 1 St George's Road Wimbledon London SW19 4DR |
| Auditors | Francis Clark LLP Lowin House Tregolls Road Truro Cornwall TR1 2NA |

Capsticks Solicitors LLP

Members' Report

Year Ended 30 April 2015

The members present their report and the audited financial statements for the year ended 30 April 2015.

Members' responsibilities

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

The Limited Liability Partnerships (LLP) Regulations 2008 made under the Limited Liability Partnerships Act 2000 requires the members to prepare financial statements which give a true and fair view of the state of affairs of the LLP at the end of the financial year and of the profit or loss of the LLP for the period ending on that date. In preparing those financial statements, members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 enable them to ensure the financial statements comply with the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships Regulations 2008. They 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.

Business review

Sector Overview

The backdrop of the legal sector in which the Capsticks Solicitors LLP operates continues to be challenging with a high degree of volatility both on a financial and non-financial level.

The sector has started to report some signs of financial improvement and growth during the last year, predominately in firms more focused on commercial and private client work.

Despite these improvement indicators the legal sector as a whole has continued to experience some significant financial failures of firms and remains challenged by both regulatory matters and legislation in recent years.

Capsticks Solicitors LLP

Members' Report

Year Ended 30 April 2015

..... continued

Financials - Profit and Loss

Turnover for the business has continued to see a positive growth of 5.0% rising to in excess of £39.5million in the year ended 30 April 2015. The business has continued to achieve this growth through a combination of organic and acquisitive actions in recent years.

The continued investment in the business has delivered continued growth within turnover but this investment has resulted in gross profit levels during the year to 30 April 2015 declining from £13.3 million in 2014 to £12.9 million. This continued investment has naturally resulted in a gross profit margin decline to 32.6% for the year to 30 April 2015 (2014 35.4%).

Financials - Balance Sheet

Overall the balance sheet of the business reports there has been a slight decline in its total net assets position reported from £11.96 million to £11.24 million.

A current net asset position is reported for the year of £9.32 million and has increased from that reported in 2014 of £8.48 million.

The strengthened current asset position has in part been achieved as a result of a financial restructuring exercise during the year, which can be evidenced within the balance sheet where an element of borrowings has been repositioned within longer term debt.

The business has also continued to maintain a low level of lock up through its controls and management of accrued income and debtors. Inevitably the expansion of the business has required additional investment in lock up which at the balance sheet date was wholly funded by member funds.

Lock up management remains a major factor that affects the financial stability of law firms. Lock up levels for the business at the 30 April 2015 amounted to 108 days (2014 110 days) which are considerably lower than sector averages reported in national sector surveys.

Financials - Cash Management

Cash growth during the year has been funded from a mix of retained profits and external sources.

The LLP has demonstrated strong management of working capital during the reporting year. Investment in lock up during the prior year was significant and whilst this investment has continued during 2015 the relative year on year cash requirement in this area has been modest in comparison.

Within the year certain members, both existing and newly appointed, have also contributed further long term capital into the LLP in total of £1.13 million.

The combination of a prudent approach to capital funding from the members, control over working capital aspects of the business and financial forecasting the business enjoys operating in a financially stable and predictable environment.

Capsticks Solicitors LLP

Members' Report

Year Ended 30 April 2015

..... continued

Results for the Period and Allocation to Members

| | 2015 |
|---|-------------|
| Turnover | £39,545,639 |
| Turnover growth | 5% |
| Profit before members' remuneration and profit shares | £6,502,773 |
| Gross profit margin | 33% |

Financial Overview

The members remain confident that the financial results for the year ended 30 April 2015, combined with the firm's reputation in its specialist fields and continued investment in organic growth, provide a strong platform for the continued success of the business.

Policy on members' drawings and the subscription and repayment of capital

Members receive monthly drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set by the Board, and is reviewed regularly taking into account working capital and other investment activities undertaken by the LLP.

The capital requirements of the LLP are determined by the Board and are reviewed regularly. The amount of capital subscribed by each member is determined by their seniority. An allocation of profit equivalent to 1.5% over bank base rate is paid on this capital. On retirement, capital is repaid to members in accordance with the Members' Agreement.

Capsticks Solicitors LLP has partners who are not members of the LLP. The partners are employees of the LLP, their remuneration is charged as staff costs in the Profit and Loss Account.

Results

The results for the LLP are set out in the financial statements.

Disabled employees

The LLP gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the LLP's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the period, the policy of providing employees with information about the LLP has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the LLP's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Designated members

The designated members of the LLP during the year were as follows:

Capsticks Solicitors LLP

Members' Report

Year Ended 30 April 2015

..... continued

- Mr P W Brown
- Mr P J Edwards
- Mr C E Lynch
- Mrs A Morley

Disclosure of information to the auditor

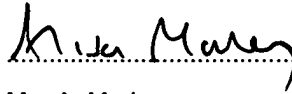
Each member has taken steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The members confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Approved by the members and signed on their behalf by:



Mr P J Edwards
Designated Member

Date: 11/11/15



Mrs A Morley
Designated Member

Date: 11/11/15

Capsticks Solicitors LLP

Independent Auditors' Report to the Members

We have audited the financial statements of Capsticks Solicitors LLP for the year ended 30 April 2015, set out on pages 8 to 19. 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, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships Regulations 2008. Our 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 set out on page 2, 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 (APB'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 and Financial Statements 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 the 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 30 April 2015 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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Capsticks Solicitors LLP

Independent Auditors' Report to the Members

..... 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.

Francis Clark LLP

Andrew Greenwood Allen BSc FCA
Senior Statutory Auditor

for and on behalf of:
Francis Clark LLP, Statutory Auditor

Date: *12 November 2015*

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Capsticks Solicitors LLP

Profit and Loss Account

Year Ended 30 April 2015

| | Note | 2015 £ | 2014 £ |
|---|------|-------------------|-------------------|
| Turnover | 3 | 39,545,639 | 37,669,423 |
| Direct costs | | (26,650,132) | (24,326,143) |
| Gross profit | | <u>12,895,507</u> | <u>13,343,280</u> |
| Administrative expenses | | (6,380,983) | (5,792,708) |
| Operating profit | 4 | <u>6,514,524</u> | <u>7,550,572</u> |
| Other interest receivable and similar income | | 56,712 | 58,071 |
| Interest payable and similar charges | 6 | (68,463) | (95,538) |
| Profit for the financial year before members' remuneration and profit shares | | <u>6,502,773</u> | <u>7,513,105</u> |
| Members' remuneration charged as an expense | | (6,502,773) | (7,513,105) |
| Profit for the financial year available for discretionary division among members | | <u><u>-</u></u> | <u><u>-</u></u> |

Turnover and operating profit derive wholly from continuing operations.

The LLP has no recognised gains or losses for the year other than the results above.

The notes on pages 12 to 19 form an integral part of these financial statements.

Capsticks Solicitors LLP

Balance Sheet

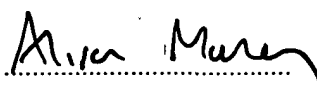
30 April 2015

| | | 2015 | | 2014 | |
|--|------|--------------------|-------------------|--------------------|-------------------|
| | Note | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 8 | | 481,196 | | 617,595 |
| Tangible assets | 9 | | <u>3,035,717</u> | | <u>3,202,416</u> |
| | | | 3,516,913 | | 3,820,011 |
| Current assets | | | | | |
| Debtors | 10 | 13,966,498 | | 13,600,249 | |
| Cash at bank and in hand | | <u>1,064,794</u> | | <u>516,909</u> | |
| | | 15,031,292 | | 14,117,158 | |
| Creditors: Amounts falling due within one year | 11 | <u>(5,710,853)</u> | | <u>(5,633,715)</u> | |
| Net current assets | | | 9,320,439 | | 8,483,443 |
| Total assets less current liabilities | | | 12,837,352 | | 12,303,454 |
| Creditors: Amounts falling due after more than one year | 12 | (1,500,000) | | - | |
| Provisions for liabilities | 13 | <u>(100,000)</u> | | <u>(347,000)</u> | |
| Net assets | | | <u>11,237,352</u> | | <u>11,956,454</u> |
| Represented by: | | | | | |
| Loans and other debts due to members | 15 | | <u>11,237,352</u> | | <u>11,956,454</u> |

Approved by the members on 11/12/15 and signed on their behalf by:



Mr P J Edwards
Designated Member



Mrs A Morley
Designated Member

The notes on pages 12 to 19 form an integral part of these financial statements.

(Registration number: OC340360)

Capsticks Solicitors LLP

Reconciliation of Members' Interests

| | Loans and Other Debts Due to Members £ | 2014 £ |
|--|--|-------------------|
| As at 1 May 2014 | 11,956,454 | 10,782,253 |
| Members' remuneration charged as an expense, including employment and retirement benefit costs | 6,502,773 | 7,513,105 |
| Members' interests after profit for the year | 18,459,227 | 18,295,358 |
| Introduced by members | 1,132,338 | 1,139,002 |
| Repayments of debt (including members' capital classified as a liability) | (408,001) | - |
| Drawings | (7,946,212) | (7,452,906) |
| Other movements | - | (25,000) |
| As at 30 April 2015 | <u>11,237,352</u> | <u>11,956,454</u> |

The notes on pages 12 to 19 form an integral part of these financial statements.

Capsticks Solicitors LLP

Cash Flow Statement

Year Ended 30 April 2015

| | | 2015 | 2014 |
|---|------|------------------|--------------------|
| | Note | £ | £ |
| Net cash flow from operating activities | | | |
| Operating profit | | 6,514,524 | 7,550,572 |
| Depreciation, amortisation and impairment charges | | 730,249 | 756,707 |
| Increase in debtors | | (243,849) | (3,517,126) |
| Increase in creditors | | 192,239 | 219,826 |
| (Decrease)/increase in provisions | | (247,000) | 347,000 |
| | | <u>6,946,163</u> | <u>5,356,979</u> |
| Returns on investment and servicing of finance | 17 | (11,751) | (37,467) |
| Capital expenditure and financial investment | | | |
| Purchase of intangible fixed assets | | (24,000) | (771,994) |
| Purchase of tangible fixed assets | | (403,152) | (491,632) |
| | | <u>(427,152)</u> | <u>(1,263,626)</u> |
| Transactions with members and former members | 17 | (7,221,875) | (6,338,904) |
| Cash outflow before management of liquid resources and financing | | <u>(714,615)</u> | <u>(2,283,018)</u> |
| Financing | | | |
| Increase in loans and borrowings | | 3,550,000 | - |
| Repayment of loans and borrowings | | (2,287,500) | (350,000) |
| | | <u>1,262,500</u> | <u>(350,000)</u> |
| Increase/(decrease) in cash | | <u>547,885</u> | <u>(2,633,018)</u> |

Reconciliation of net cash flow to movement in net debt

| | | 2015 | 2014 |
|--|------|--------------------|--------------------|
| | Note | £ | £ |
| Increase/(decrease) in cash in the year | 18 | 547,885 | (2,633,018) |
| Cash (inflow)/outflow from (increase)/decrease in debt and lease financing | | (1,262,500) | 350,000 |
| Change in net funds resulting from cash flows | | <u>(714,615)</u> | <u>(2,283,018)</u> |
| Net (debt)/funds at the start of the year | 18 | (1,670,591) | 612,427 |
| Net debt at the end of the year | 18 | <u>(2,385,206)</u> | <u>(1,670,591)</u> |

The notes on pages 12 to 19 form an integral part of these financial statements.

Capsticks Solicitors LLP

Notes to the Financial Statements

Year Ended 30 April 2015

2 Accounting policies

Basis of preparation

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

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Revenue recognition

Turnover represents the right to consideration earned for the provision of legal services excluding VAT. All turnover derives from activities in the UK.

Services provided to clients during the period which, at the balance sheet date, have not been invoiced to clients, have been recognised in 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 service contracts'.

Turnover recognised 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 LLP. Unbilled revenue is included within debtors.

Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

| | |
|----------|--------------|
| Goodwill | over 5 years |
|----------|--------------|

Capsticks Solicitors LLP

Notes to the Financial Statements

Year Ended 30 April 2015

..... continued

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| | |
|-----------------------|----------------------------|
| Land and buildings | over the term of the lease |
| Fixtures and fittings | 10% straight line basis |
| Office equipment | 20% straight line basis |

Operating leases

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

Members' participation rights

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities as the LLP does not have an unconditional right to refuse payment to members.

Profits are automatically allocated to members. They are therefore shown as "Members' remuneration charged as an expense" in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are included within "loan and other debts due to members" in the Balance Sheet.

All other amounts due to members are classified as liabilities and are presented in the Balance Sheet within 'Loans and other debts due to members'.

Post-retirement payments to former members

The LLP does not operate a pension scheme for members. On retirement a member is entitled, as from the departure date, to any balances outstanding on their capital and current accounts and their tax provision.

Pensions

The LLP operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities.

Insurance arrangements

Substantial insurance cover in respect of professional negligence claims is carried. Cover is principally written through the commercial market. Where appropriate, provision is made for the expected outcome of the claims.

Capsticks Solicitors LLP

Notes to the Financial Statements

Year Ended 30 April 2015

..... continued

Taxation

The taxation payable during the year on the profits of the LLP is the personal liability of the members and consequently neither taxation nor related deferred taxation are accounted for in the financial statements. Amounts retained for the members' personal tax liabilities are treated in the same way as other profits of the LLP and are included in 'Members Interests' or in 'Loans and other debts due to members' depending on whether or not an allocation of profit has occurred.

3 Turnover

An analysis of turnover by segment is given below:

| | 2015 £ | 2014 £ |
|----------------------|-------------------|-------------------|
| Fees receivable | 37,340,471 | 35,742,031 |
| Charges for seminars | 38,913 | 47,920 |
| | <u>37,379,384</u> | <u>35,789,951</u> |
| Other sales income | 2,166,255 | 1,879,472 |
| Turnover | <u>39,545,639</u> | <u>37,669,423</u> |

4 Operating profit

Operating profit is stated after charging:

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Hire of plant and machinery - operating leases | 24,020 | 25,998 |
| Hire of other assets - operating leases | 1,933,239 | 1,200,997 |
| Audit fees | 15,300 | 14,500 |
| Auditors' remuneration - non audit services | 69,653 | 57,495 |
| Depreciation of owned assets | 301,196 | 342,998 |
| Depreciation of assets held under finance leases and hire purchase contracts | 268,655 | 259,310 |
| Amortisation | <u>160,399</u> | <u>154,399</u> |

Capsticks Solicitors LLP

Notes to the Financial Statements

Year Ended 30 April 2015

..... continued

5 Particulars of employees

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

| | 2015 No. | 2014 No. |
|----------------------|-------------|-------------|
| Fee earners | 315 | 287 |
| Administrative staff | 97 | 87 |
| | <u>412</u> | <u>374</u> |

The aggregate payroll costs of these persons were as follows:

| | 2015 £ | 2014 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 18,419,939 | 16,718,263 |
| Social security costs | 1,925,927 | 1,774,236 |
| Other pension costs | 1,238,925 | 1,092,073 |
| | <u>21,584,791</u> | <u>19,584,572</u> |

6 Interest payable and similar charges

| | 2015 £ | 2014 £ |
|-----------------------------|---------------|---------------|
| Interest on bank borrowings | 61,334 | 86,422 |
| Other interest payable | 7,129 | 9,116 |
| | <u>68,463</u> | <u>95,538</u> |

7 Information in relation to members

| | 2015 | 2014 |
|--|----------------|----------------|
| Average number of members during the year | <u>24</u> | <u>20</u> |
| | £ | £ |
| Profit (including remuneration) attributable to the member with the largest entitlement to profits | <u>346,100</u> | <u>480,173</u> |

Capsticks Solicitors LLP

Notes to the Financial Statements

Year Ended 30 April 2015

..... continued

8 Intangible fixed assets

| | Goodwill £ |
|-----------------------|----------------|
| Cost | |
| As at 1 May 2014 | 771,994 |
| Additions | 24,000 |
| As at 30 April 2015 | <u>795,994</u> |
| Amortisation | |
| As at 1 May 2014 | 154,399 |
| Charge for the year | 160,399 |
| As at 30 April 2015 | <u>314,798</u> |
| Net book value | |
| As at 30 April 2015 | <u>481,196</u> |
| As at 30 April 2014 | <u>617,595</u> |

9 Tangible fixed assets

| | Short leasehold land and buildings £ | Fixtures and fittings £ | Office equipment £ | Total £ |
|-----------------------|--|-------------------------------|--------------------------|------------------|
| Cost | | | | |
| As at 1 May 2014 | 3,022,898 | 1,620,049 | 1,479,615 | 6,122,562 |
| Additions | 302,741 | 21,582 | 78,829 | 403,152 |
| As at 30 April 2015 | <u>3,325,639</u> | <u>1,641,631</u> | <u>1,558,444</u> | <u>6,525,714</u> |
| Depreciation | | | | |
| As at 1 May 2014 | 1,017,650 | 755,336 | 1,147,160 | 2,920,146 |
| Charge for the year | 268,655 | 152,942 | 148,254 | 569,851 |
| As at 30 April 2015 | <u>1,286,305</u> | <u>908,278</u> | <u>1,295,414</u> | <u>3,489,997</u> |
| Net book value | | | | |
| As at 30 April 2015 | <u>2,039,334</u> | <u>733,353</u> | <u>263,030</u> | <u>3,035,717</u> |
| As at 30 April 2014 | <u>2,005,248</u> | <u>864,713</u> | <u>332,455</u> | <u>3,202,416</u> |

Capsticks Solicitors LLP

Notes to the Financial Statements

Year Ended 30 April 2015

..... continued

10 Debtors

| | 2015 £ | 2014 £ |
|--------------------------------|-------------------|-------------------|
| Trade debtors | 8,553,694 | 7,094,269 |
| Other debtors | 79,669 | 73,481 |
| Prepayments and accrued income | 5,333,135 | 6,432,499 |
| | <u>13,966,498</u> | <u>13,600,249</u> |

11 Creditors: Amounts falling due within one year

| | 2015 £ | 2014 £ |
|---------------------------------|------------------|------------------|
| Bank loans and overdrafts | 1,950,000 | 2,187,500 |
| Trade creditors | 1,504,092 | 1,608,667 |
| Social security and other taxes | 1,060,376 | 1,079,875 |
| Other creditors | 96,065 | 86,273 |
| Accruals and deferred income | 1,100,320 | 671,400 |
| | <u>5,710,853</u> | <u>5,633,715</u> |

12 Creditors: Amounts falling due after more than one year

| | 2015 £ | 2014 £ |
|---------------------------|------------------|-----------|
| Bank loans and overdrafts | <u>1,500,000</u> | <u>-</u> |

13 Provisions for liabilities

| | Other provision £ |
|-------------------------|-------------------------|
| As at 1 May 2014 | 347,000 |
| Dilapidations provision | <u>(247,000)</u> |
| As at 30 April 2015 | <u>100,000</u> |

Dilapidations obligations exist under certain lease arrangements. In conjunction with professional assessment by an independent Chartered Surveyor the provision represents an assessment by the members of the fair value of the liability existing under such leases at the balance sheet date.

Capsticks Solicitors LLP

Notes to the Financial Statements

Year Ended 30 April 2015

..... continued

14 Operating lease commitments

As at 30 April 2015 the LLP had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

| | Land and Buildings | | Other | |
|-----------------|--------------------|------------------|-----------|--------------|
| | 2015 £ | 2014 £ | 2015 £ | 2014 £ |
| Within one year | - | - | - | 6,000 |
| Over five years | 1,778,419 | 1,579,740 | - | - |
| | <u>1,778,419</u> | <u>1,579,740</u> | <u>-</u> | <u>6,000</u> |

15 Loans and other debts due to members

| | 2015 £ | 2014 £ |
|---|-------------------|-------------------|
| Loans from members | 8,439,339 | 7,634,002 |
| Amounts owed to members in respect of profits | 2,798,013 | 4,322,452 |
| | <u>11,237,352</u> | <u>11,956,454</u> |

Loans and other debts due to members are unsecured and would rank *pari passu* with other unsecured creditors in the event of a winding up.

16 Pension scheme

Defined contribution pension scheme

The LLP operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the LLP to the scheme and amounted to £1,238,925 (2014 - £1,092,073).

Capsticks Solicitors LLP

Notes to the Financial Statements

Year Ended 30 April 2015

..... continued

17 Analysis of cash flows

| | 2015 £ | 2014 £ |
|---|--------------------|--------------------|
| Returns on investment and servicing of finance | | |
| Other interest paid | (68,463) | (95,538) |
| Interest received | 56,712 | 58,071 |
| | <u>(11,751)</u> | <u>(37,467)</u> |
| Transactions with members and former members | | |
| Payments to members | (8,354,213) | (7,477,906) |
| Contributions by members | 1,132,338 | 1,139,002 |
| | <u>(7,221,875)</u> | <u>(6,338,904)</u> |

18 Analysis of net debt

| | At start of period £ | Cash flow £ | At end of period £ |
|--------------------------|----------------------------|--------------------|--------------------------|
| Cash at bank and in hand | <u>516,909</u> | <u>547,885</u> | <u>1,064,794</u> |
| Debt due within one year | (2,187,500) | 237,500 | (1,950,000) |
| Debt due after one year | - | (1,500,000) | (1,500,000) |
| Change in debt | <u>(2,187,500)</u> | <u>(1,262,500)</u> | <u>(3,450,000)</u> |
| Net debt | <u>(1,670,591)</u> | <u>(714,615)</u> | <u>(2,385,206)</u> |

19 Related parties

Controlling entity

The LLP was under the control of the members throughout the current and previous period.