

**St. Philip's Chambers Limited**

Report and Financial Statements

Year Ended

31 December 2006

**IBDO**  
BDO Stoy Hayward  
Chartered Accountants

WEDNESDAY



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**Directors**

W E Davis  
L D P Ashworth  
M P Weaver  
S R J Clegg  
A Wyvill  
L Findlay  
A D Smith  
M S Najib  
M Inman  
A Maguire  
E McGrath  
J Burbidge  
S C Baker  
A A S Khangure  
J A Nosworthy  
J R Fox

**Secretary and registered office**

A D Smith, 55 Temple Row, Birmingham, B2 5LS

**Company number**

3647591

**Auditors**

BDO Stoy Hayward LLP, 125 Colmore Row, Birmingham, B3 3SD

**Report of the directors for the year ended 31 December 2006**

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The directors present their report together with the audited financial statements for the year ended 31 December 2006

**Results**

The profit and loss account is set out on page 5 and shows the profit for the year

**Principal activities**

The company's principal activity is the provision of services and facilities for barristers chambers

**Charitable and political contributions**

During the year the company made charitable contributions of £250 There were no political contributions

**Directors**

The directors of the company during the year were

W E Davis	
L D P Ashworth	
M P Weaver	
S R J Clegg	
A Wyvill	
L Findlay	
A D Smith	
M S Najib	(Appointed 6 May 2006)
M Inman	
A Maguire	
E McGrath	
J Burbidge	
S C Baker	
A A S Khangure	
J A Nosworthy	
C Millington	(Resigned 6 November 2006)
J R Fox	(Appointed 6 May 2006)
K Hegarty	(Resigned 18 May 2006)

No director had any beneficial interest in the share capital of the company All the directors are also directors of the parent company, St Philip's Holdings Limited and their interests in the shares of that company are disclosed in that company's financial statements

### Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

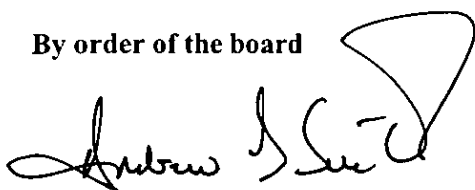
### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



A D Smith

Secretary

19 March 2007

**Independent auditor's report**

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**To the shareholders of St Philip's Chambers Limited**

We have audited the financial statements of St Philip's Chambers Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

*Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

*Basis of audit 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors  
Birmingham*

20 March 2007

Profit and loss account for the year ended 31 December 2006

	Note	2006 £	2005 £
<b>Turnover</b>	2	3,081,204	2,586,971
Cost of sales		34,046	46,207
		<u>          </u>	<u>          </u>
<b>Gross profit</b>		3,047,158	2,540,764
Administrative expenses		2,908,337	2,528,925
		<u>          </u>	<u>          </u>
<b>Operating profit</b>	3	138,821	11,839
Other interest receivable and similar income		6	218
Interest payable and similar charges	5	-	(1,859)
		<u>          </u>	<u>          </u>
<b>Profit on ordinary activities before taxation</b>		138,827	10,198
Taxation on profit on ordinary activities	6	39,559	6,782
		<u>          </u>	<u>          </u>
<b>Profit on ordinary activities after taxation</b>		99,268	3,416
Accumulated loss brought forward		(17,168)	(20,584)
		<u>          </u>	<u>          </u>
<b>Retained profit/(accumulated loss) carried forward</b>		82,100	(17,168)
		<u>          </u>	<u>          </u>

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year

The notes on pages 7 to 13 form part of these financial statements

**St. Philip's Chambers Limited**

**Balance sheet at 31 December 2006**

	Note	2006 £	2006 £	2005 £	2005 £
<b>Fixed assets</b>					
Tangible assets	7		453,733		210,625
<b>Current assets</b>					
Debtors	8	376,323		241,166	
Cash at bank and in hand		103,552		36,779	
		<u>479,875</u>		<u>277,945</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>580,837</u>		<u>443,738</u>	
<b>Net current liabilities</b>			<u>(100,962)</u>		<u>(165,793)</u>
<b>Total assets less current liabilities</b>			<u>352,771</u>		<u>44,832</u>
<b>Creditors: amounts falling due after more than one year</b>	10	195,671		-	
<b>Provisions for liabilities</b>	11	<u>25,000</u>		<u>12,000</u>	
			<u>220,671</u>		<u>12,000</u>
			<u>132,100</u>		<u>32,832</u>
<b>Capital and reserves</b>					
Called up share capital	12		50,000		50,000
Profit and loss account			82,100		(17,168)
<b>Shareholders' funds</b>			<u>132,100</u>		<u>32,832</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the board of directors and authorised for issue on 19 March 2007

  
W E Davis  
Director

The notes on pages 7 to 13 form part of these financial statements



## 1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates

Library	- no depreciation
Office Equipment etc	- 10% - 33 3%
Improvement to rented property	- 20%

### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

**2 Turnover**

Turnover arises solely within the United Kingdom

**3 Operating profit**

	2006 £	2005 £
This is arrived at after charging		
Depreciation of tangible fixed assets	53,209	60,944
Hire of plant and machinery - operating leases	40,107	34,714
Hire of other assets - operating leases	356,787	304,192
Audit services	5,750	4,600
	<u>          </u>	<u>          </u>

**4 Directors' remuneration**

	2006 £	2005 £
Emoluments and pension contributions	100,833	143,014
	<u>          </u>	<u>          </u>

There was 1 director in the company's defined contribution pension scheme during the year (2005 - 1)

**5 Interest payable and similar charges**

	2006 £	2005 £
Hire purchase contracts	-	1,859
	<u>          </u>	<u>          </u>

**6 Taxation on profit on ordinary activities**

	2006 £	2006 £	2005 £	2005 £
<i>UK Corporation tax</i>				
Current tax on profits of the year	27,000		10,000	
Adjustment in respect of previous periods	(441)		(218)	
	<hr/>		<hr/>	
Total current tax		26,559		9,782
<i>Deferred tax</i>				
Origination and reversal of timing differences		13,000		(3,000)
		<hr/>		<hr/>
Taxation on profit on ordinary activities		39,559		6,782
		<hr/>		<hr/>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2006 £	2005 £
Profit on ordinary activities before tax	138,827	10,198
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2005 - 19%)	26,377	1,938
Effect of:		
Expenses not deductible for tax purposes	9,644	5,637
Capital allowances for period in excess of depreciation	(9,028)	2,045
Other short term timing differences	111	380
Adjustment to tax charge in respect of previous periods	(441)	(218)
Marginal relief	(104)	-
	<hr/>	<hr/>
Current tax charge for period	26,559	9,782
	<hr/>	<hr/>

**7 Tangible fixed assets**

	Improvement to rented property £	Plant and machinery etc £	Total £
<i>Cost</i>			
At 1 January 2006	-	580,118	580,118
Additions	175,438	122,248	297,686
Disposals	-	(1,369)	(1,369)
	<hr/>	<hr/>	<hr/>
At 31 December 2006	175,438	700,997	876,435
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2006	-	369,493	369,493
Provided for the year	4,873	48,336	53,209
	<hr/>	<hr/>	<hr/>
At 31 December 2006	4,873	417,829	422,702
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2006	170,565	283,168	453,733
	<hr/>	<hr/>	<hr/>
At 31 December 2005	-	210,625	210,625
	<hr/>	<hr/>	<hr/>

**8 Debtors**

	2006 £	2005 £
Trade debtors	79,449	87,511
Other debtors	296,874	153,655
	<hr/>	<hr/>
	376,323	241,166
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year

**9 Creditors: amounts falling due within one year**

	2006 £	2005 £
Trade creditors	333,562	117,791
Amounts owed to group undertakings	62,648	99,976
Corporation tax	27,000	10,000
Other taxation and social security	106,429	73,855
Other creditors	51,198	142,116
	<u>580,837</u>	<u>443,738</u>

**10 Creditors: amounts falling due after more than one year**

	2006 £	2005 £
Amounts owed to group undertakings	195,671	-
	<u>195,671</u>	<u>-</u>

**11 Provisions for liabilities**

		Deferred taxation £
At 1 January 2006		12,000
Charged to profit and loss account		13,000
		<u>25,000</u>
At 31 December 2006		25,000
<i>Deferred taxation</i>		
	2006 £	2005 £
Accelerated capital allowances	25,000	12,000
	<u>25,000</u>	<u>12,000</u>

**12 Share capital**

	2006 £	Authorised 2005 £	Allotted, called up and fully paid 2006 £	2005 £
Ordinary shares shares of £1 each	50,000	50,000	50,000	50,000

**13 Commitments under operating leases**

The company had annual commitments under non-cancellable operating leases as set out below

	2006 Other £	2005 Other £
Operating leases which expire		
Within one year	-	10,317
In two to five years	31,791	5,349
	31,791	15,666

**14 Related party disclosures**

*Loans and transactions concerning directors and officers of the company*

All the directors who are barristers receive support services from the company for which they are charged on an arms length basis

During the year, the company paid £334,970 (2005 £292,249) in rent to its parent undertaking Included at the year end is a net amount due to St Philip's Holdings Limited of £258,319 (2005 £99,976)

During the year, the company charged St Philip's Holdings Limited a management charge of £40,000 (2005 £20,000)

**15 Capital commitments**

	2006 £	2005 £
Contracted but not provided for	197,118	-

**16 Ultimate Parent Company**

The company is a subsidiary of St Philip's Holdings Limited, a company incorporated in England

**17 Contingent liabilities**

The company has given a guarantee to its bankers in respect of advances to its parent company, St Philip's Holdings Limited, which at 31 December 2006 amounted to £2,000,000 (2005 £2,000,000)  
The directors are of the opinion that no liability is likely to arise in the foreseeable future