

FASKEN MARTINEAU LLP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 April 2008

FRIDAY



\*L1G42CZJ\*

LD6

04/09/2009

248

COMPANIES HOUSE

Limited Liability Partnership Registration Number: OC309059

FASKEN MARTINEAU LLP  
FINANCIAL STATEMENTS  
For the year ended 30 April 2008

---

CONTENTS	PAGE
Designated members and officers	2
Designated members' report	3
Statement of designated members' responsibilities	5
Independent auditor's report	6
Income and expenditure account	7
Balance sheet	8
Cash flow statement	9
Accounting policies	10
Notes to the financial statements	12

# FASKEN MARTINEAU LLP

## DESIGNATED MEMBERS, OFFICERS AND PROFESSIONAL ADVISORS

---

### DESIGNATED MEMBERS

G R Howes  
R J Loosley  
D Smith  
N J Ziman

### REGISTERED OFFICE

17 Hanover Square  
London  
W1S 1HU

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
65 Kingsway  
London  
WC2B 6TD

### REGISTERED NUMBER

OC309059

## FASKEN MARTINEAU LLP

### DESIGNATED MEMBERS' REPORT

---

The designated members submit their report and the financial statements of Fasken Martineau LLP for the period ended 30 April 2008.

#### PRINCIPAL ACTIVITIES

The principal activity of the limited liability partnership is the provision of a full range of commercial legal services and advice from offices in England.

#### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the LLP show a profit for the financial year before members' remuneration and profit shares of £2.4 million (2007: £3.3 million) for the year and fee income of £10.5 million (2007: £8.0 million).

The year ended 30 April 2007 was one of considerable change and development dominated by the combination of Stringer Saul LLP and Fasken Martineau Du Moulin LLP, one of the leading law firms in Canada.

The year under review was the first full year with Fasken Martineau Du Moulin LLP after the combination was completed on 5 February 2007, where we were able to provide an English and Canadian commercial legal service for both our own clients and those of Fasken Martineau Du Moulin LLP.

During the year under review the LLP laid the foundations for its development as the London offices of an international law firm and expansion into the project finance and energy market. The LLP changed its name on 10 September 2008 from Fasken Martineau Stringer Saul LLP to Fasken Martineau LLP. This was to make it easier for us and the Canadian and South African offices to market ourselves as one firm and to reap the full benefits of the merger.

The combination required a further expansion of our office accommodation. Both the fourth and fifth floors of the premises at 17 Hanover Square have now been fitted out to a high standard.

During the year under review our complement of staff increased from 24 members, 21 associates and 38 support staff on 1 May 2007 to 24 members, 22 associates and 42 support staff on 30 April 2008.

The LLP recorded 32% growth in turnover (2007: 16%). The LLP has net assets of £1.0 million (2007: £1.6 million).

#### Research and development

We continue to invest in information technology to further improve efficiencies in the way we work. We also invest in training and development of our staff as they are key to our continuing success.

#### Future outlook

The external commercial environment is expected to be increasingly competitive in 2009. However, we remain confident that we will maintain our current level of performance in the future.

#### Principal risks and uncertainties

The management of the business and the execution of the LLP's strategy are subject to a number of risks.

The key business risks affecting the LLP are considered to relate to competition from similar sized firms of lawyers and employee retention, and also the risk of downturns in financial markets.

## FASKEN MARTINEAU LLP

### DESIGNATED MEMBERS' REPORT (cont.)

---

#### Key performance indicators (KPIs)

Given the straightforward nature of the business, the LLP's members are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### DESIGNATED MEMBERS

The following designated members have held office since 1 May 2007:

G R Howes  
R J Loosley  
D Smith  
N J Ziman

#### TRANSACTIONS WITH MEMBERS

All members participate fully in the limited liability partnership's profit, share the risks and contribute to the limited liability partnership's capital.

An individual member's minimum capital requirement is set at £10 for the UK limited liability partnership.

The limited liability partnership's drawings policy allows each member to draw a proportion of their profit share in twelve monthly instalments with the balance of their profits, net of taxes, distributed, generally, early in the following financial year.

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the members have confirmed that they have taken all steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### AUDITORS

A resolution to re-appoint Baker Tilly UK Audit LLP, Chartered Accountants will be put to the members at the annual general meeting.

Approved by the members on *2 September 2009*  
And signed on their behalf by:



R J Loosley

Designated Member

## FASKEN MARTINEAU LLP

### DESIGNATED MEMBERS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

The designated members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Limited Liability Partnership law requires the designated members to prepare financial statements for each financial year. Under the law the designated members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Limited Liability Partnership and of the profit or loss for that year. In preparing those financial statements, the designated members are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The designated members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985 as applicable under the Limited Liability Partnerships Act 2000. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FASKEN MARTINEAU LLP

---

We have audited the financial statements on pages 7 to 18.

This report is made solely to the Limited Liability Partnership's Designated Members, as a body, in accordance with section 235 of the Companies Act 1985 as applicable under the Limited Liability Partnerships Act 2000. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's Designated 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 Designated Members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of designated members and auditors**

The Designated Members' responsibilities for preparing the Annual Report and 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 Designated Members' 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 are properly prepared in accordance with the Companies Act 1985 and as applicable under the Limited Liability Partnerships Act 2000. We also report to you, if in our opinion, the Limited Liability Partnership has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Designated Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **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 designated members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Limited Liability Partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which are 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 limited liability partnership's affairs at 30 April 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies act 1985 as applicable under the Limited Liability Partnerships Act 2000.

*Baker Tilly UK Audit LLP*

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

65 Kingsway

London WC2B 6TD

4/9/09

**FASKEN MARTINEAU LLP**  
**PROFIT AND LOSS ACCOUNT**  
For the year ended 30 April 2008

	<i>Notes</i>	2008 £	2007 £
TURNOVER	1	10,485,632	7,972,016
Operating expenses	2	(8,057,536)	(4,830,076)
OPERATING PROFIT	4	<u>2,428,096</u>	<u>3,141,940</u>
Investment income	5	203,131	174,903
Profit on sale of investment		88,450	-
Interest payable	6	(344,991)	(60,254)
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES	7	<u>2,374,686</u>	<u>3,256,589</u>
Members' remuneration charged as an expense		(2,374,686)	(3,160,341)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	12	<u>-</u>	<u>96,248</u>

The profit for the period arises from the partnership's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.



**FASKEN MARTINEAU LLP**  
**BALANCE SHEET**  
For the year ended 30 April 2008

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	8	1,723,208	961,855
<b>CURRENT ASSETS</b>			
Debtors	9	4,658,283	4,163,681
Current investments	10	30,761	30,761
Cash at bank and in hand		451,943	-
		5,140,987	4,194,442
CREDITORS: amounts falling due within one year	11	(4,666,875)	(3,518,015)
<b>NET CURRENT ASSETS</b>		474,112	676,427
CREDITORS: amounts falling due after one year	13	(1,178,876)	-
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		1,018,444	1,638,282
<b>REPRESENTED BY:</b>			
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS WITHIN ONE YEAR</b>			
Members' capital classified as a liability under FRS25	12	262,247	262,247
<b>EQUITY</b>			
Members' other interest classified as equity under FRS25	12	756,197	1,376,035
		1,018,444	1,638,282
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and debts due (by)/to members	12	(544,373)	307,250
	12	474,071	1,945,532

Approved and authorised for issue by the members on 2 September 2009  
and signed on their behalf by:



R J Loosley

Designated member

**FASKEN MARTINEAU LLP**  
**CASH FLOW STATEMENT**  
For the year ended 30 April 2008

	<i>Notes</i>	2008 £	2007 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	14	<u>5,436,053</u>	<u>2,013,329</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		203,131	174,903
Proceeds from sale of investments		88,450	417
Interest paid		(305,452)	(60,254)
Interest element of finance lease payments		(39,539)	-
		<u>(53,410)</u>	<u>115,066</u>
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		<u>(1,151,571)</u>	<u>(986,700)</u>
PAYMENTS TO MEMBERS		<u>(3,846,148)</u>	<u>(3,563,067)</u>
FINANCING			
Repayment of loans		(648,439)	-
Capital element of finance leases		715,456	-
Members' capital introduced		-	34,667
		<u>67,017</u>	<u>34,667</u>
INCREASE/(DECREASE) IN CASH		<u>451,943</u>	<u>(2,386,705)</u>
RECONCILIATION OF NET DEBT			
Increase /(decrease) in cash in year		451,943	(2,386,705)
Cash inflow from increase in debt and lease financing		(67,017)	-
Change in net debt resulting from financing		384,926	(2,386,705)
Net debt brought forward		<u>(1,571,243)</u>	<u>815,462</u>
Net debt carried forward		<u>(1,186,317)</u>	<u>(1,571,243)</u>

# **FASKEN MARTINEAU LLP**

## **ACCOUNTING POLICIES**

For the year ended 30 April 2008

---

### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (SORP) issued in March 2006.

The limited liability partnership has reported a result for the year of £Nil (2007: profit £96,248 (after members remuneration)) and has net assets of £1,018,444 (2007: £1,638,282). The limited liability partnership is dependent upon the support of Fasken Martineau Du Moulin LLP who at the year end was owed £2,933,623 (2007: £532,840).

### **GOING CONCERN**

The members consider it appropriate to prepare the financial statements on the going concern basis as the associated partnership, Fasken Martineau Du Moulin LLP, will continue to provide financial support to the LLP and ensure it is able to meet its liabilities as they fall due.

### **TURNOVER AND REVENUE RECOGNITION**

Turnover represents amounts chargeable to clients for professional services provided during the year, inclusive of direct expenses incurred on client assignments but excluding value added tax. Turnover is recognised when a right to consideration has been obtained through performance under each contract. Consideration accrues as contract activity progresses by reference to the value of the work performed.

Turnover also includes appropriate amounts in respect of long-term work in progress as described below, to the extent that the outcome of these contracts can be assessed with reasonable certainty.

Turnover is not recognised where the right to received payment is contingent on events outside the control of the LLP. Interim billings on account are otherwise not included.

Unbilled revenue is included in debtors as 'Accrued income'. Amounts billed on account of work in progress are shown as deduction from gross work in progress, to the extent that they are not recognised as revenue. Amounts billed on account in excess of the amounts recognised as revenue are included in creditors.

### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at historic cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold property improvements	Over the life of the lease
Computer equipment	Over a period of three years
Office equipment	Over a period of four years
Furniture, fixtures and fittings	Over a period of four years

### **INVESTMENTS**

Investments are stated at cost. Provisions are made for any permanent diminutions in value.

### **LEASES**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

The interest element of finance lease obligations is allocated to reflect a constant rate of interest on the remaining balance of the obligation for each accounting period.

Obligations related to finance leases in respect of future periods, net of finance charges, are included as appropriate under current or non-current liabilities.

**FASKEN MARTINEAU LLP**  
**ACCOUNTING POLICIES**  
For the year ended 30 April 2008

---

**FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

**TAXATION**

The taxation payable on profits is the personal liability of the members during the period. A retention from profits is made to fund the payments of taxation on members behalf. The retention is reflected in other reserves and payments are charged against this retention.

**CLAIMS**

Provision is made on a case-by-case basis in respect of the cost of defending claims and where appropriate, the estimated cost to Fasken Martineau LLP of settling claims. Separate disclosure is not made of claims covered by insurance recoveries expected to be obtained on the grounds that disclosure might seriously prejudice the outcome of the claims.

**MEMBERS REMUNERATION**

In accordance with the provisions of the SORP, amounts due to members in respect of participated rights in the LLP that give rise to a liability are treated as members' remuneration charged as an expense in the LLP's profit and loss account. These amounts consist of salaried members' remuneration and the fixed share equity members' remuneration.

Any divisions out of the remaining profits are reported as equity allocations when they occur.

**FASKEN MARTINEAU LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 2008

---

**1 TURNOVER**

Turnover is wholly derived from the principal activities of the LLP. Sales were made in the following geographical markets.

	2008 £	2007 £
United Kingdom	7,118,896	6,623,738
Europe	458,210	623,735
Rest of the World	2,908,526	724,543
	<u>10,485,632</u>	<u>7,972,016</u>

No further analysis is provided as the information is of a commercially sensitive nature.

**2 ANALYSIS OF OPERATING EXPENSES**

	2008 £	2007 £
Staff costs (note 3)	3,039,582	2,035,102
Depreciation	390,218	70,027
Other operating charges	4,627,736	2,724,947
	<u>8,057,536</u>	<u>4,830,076</u>

**3 EMPLOYEES**

	2008 No	2007 No
--	------------	------------

The average monthly number of persons employed during the period (excluding members) was:

Legal staff:		
Technical	20	14
Non-technical	39	31
	<u>59</u>	<u>45</u>

	2008 £	2007 £
Staff costs incurred during the period in respect of these employees were:		
Wages and salaries	2,677,321	1,824,489
Social security costs	310,517	191,028
Other pension costs	51,744	19,585
	<u>3,039,582</u>	<u>2,035,102</u>

**FASKEN MARTINEAU LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 2008

4	OPERATING PROFIT	2008 £	2007 £
	Operating profit is stated after charging:		
	Depreciation on tangible fixed assets		
	- Owned assets	172,808	70,027
	- Leased assets	217,410	-
	Operating lease rentals:		
	- Land and buildings	871,848	603,996
	- Plant and machinery	134,195	60,248
		<u>          </u>	<u>          </u>
	Audit services		
	- statutory audit	18,875	14,500
	- other regulatory reporting	14,460	11,500
	Tax services		
	- compliance services	39,765	27,388
	- advisory services	19,380	29,339
		<u>          </u>	<u>          </u>
		92,480	82,727
		<u>          </u>	<u>          </u>
	Comprising		
	- audit services	33,335	26,000
	- non-audit services	59,145	56,727
		<u>          </u>	<u>          </u>
		92,480	82,727
		<u>          </u>	<u>          </u>
5	INVESTMENT INCOME	2008 £	2007 £
	Bank interest receivable	203,131	174,903
		<u>          </u>	<u>          </u>
6	INTEREST PAYABLE	2008 £	2007 £
	Interest on bank loan and overdraft	262,313	13,649
	Other interest payable	82,678	46,605
		<u>          </u>	<u>          </u>
		344,991	60,254
		<u>          </u>	<u>          </u>

**FASKEN MARTINEAU LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 2008

**7 MEMBERS' SHARES OF PROFIT**

Profits are shared among the members after the end of the year in accordance with agreed profit sharing arrangements.

	2008	2007
Average monthly number of members	24	20
	<u>2008</u>	<u>2007</u>
	£	£
Average profit per member	98,945	162,829

The share of profits that has been allocated since the year end to the member with the largest entitlement to profit is £205,000 (2007 : £269,100).

8	TANGIBLE FIXED ASSETS	Leasehold improvements £	Computer equipment £	Furniture and office equipment £	Total £
	Cost				
	At 1 May 2007	822,914	133,368	90,548	1,046,830
	Additions	1,006,826	41,853	102,892	1,151,571
	At 30 April 2008	<u>1,829,740</u>	<u>175,221</u>	<u>193,440</u>	<u>2,198,401</u>
	Depreciation				
	At 1 May 2007	41,235	32,968	10,772	84,975
	Charge in year	297,191	50,450	42,577	390,218
	At 30 April 2008	<u>338,426</u>	<u>83,418</u>	<u>53,349</u>	<u>475,193</u>
	Net book value				
	As at 30 April 2008	<u>1,491,314</u>	<u>91,803</u>	<u>140,091</u>	<u>1,723,208</u>
	As at 30 April 2007	<u>781,679</u>	<u>100,400</u>	<u>79,776</u>	<u>961,855</u>

9	DEBTORS	2008 £	2007 £
	Trade debtors	2,691,977	2,557,736
	Amounts owed by related party	-	143,445
	Amounts owed by members	544,373	-
	Other debtors	16,611	11,195
	Prepayments and accrued income	1,405,322	1,451,305
		<u>4,658,283</u>	<u>4,163,681</u>

Amounts owed by related party undertakings are unsecured, repayable on demand and interest free.

**FASKEN MARTINEAU LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 2008

10	CURRENT ASSET INVESTMENTS	Listed investments £	Unlisted Investments £	Total £
	Cost:			
	1 May 2007	63,118	25,154	88,272
	Additions	-	45,100	45,100
	Disposals	-	(45,100)	(45,100)
	30 April 2008	<u>63,118</u>	<u>25,154</u>	<u>88,272</u>
	Provision for diminution in value:			
	At 1 May 2007 and 30 April 2008	<u>57,511</u>	<u>-</u>	<u>57,511</u>
	Net book value:			
	At 1 May 2007 and 30 April 2008	<u>5,607</u>	<u>25,154</u>	<u>30,761</u>

The market value of listed investments at the balance sheet date is £5,607 (2007: £5,607).

11	CREDITORS: amounts falling due within one year	2008 £	2007 £
	Bank loan and overdraft	260,415	1,571,243
	Trade creditors	187,616	202,766
	Amounts owed to related party	2,932,623	676,285
	Amounts due to members	-	307,250
	Taxes and social security costs	250,664	79,879
	Other creditors	16,202	265,725
	Accruals and deferred income	820,385	414,867
	Finance lease obligation	198,970	-
		<u>4,666,875</u>	<u>3,518,015</u>

The bank overdraft and bank loan are secured by a debenture over the assets of the LLP and a £100,000 guarantee from eight members of Fasken Martineau LLP.

The bank overdraft is repayable on demand with interest payable at 1.5% over base rate.

The bank loans are repayable by installments of £25,924 and incur interest payable of 1% over base rate.

The amounts due to related party includes a loan from Fasken Martineau Du Moulin LLP of 5.5 million Canadian Dollars. This loan is unsecured and is repayable on request from the related party. Interest is charged at the Canadian base rate and totalled £112,099 for the year.



**FASKEN MARTINEAU LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 2008

---

12 MEMBERS' INTERESTS

	Members' capital	other interests Other reserves	Total	Loans and other debts due to/(from) members	Total £
Amounts due to members:					
At 30 April 2007	262,247	1,376,035	1,638,282	307,250	1,945,532
Members' remuneration charges as an expense	-	831,140	831,140	1,543,546	2,374,686
Profit for the financial year available for discretionary division among members	-	-	-	-	-
Members' interests after profit for the year	262,247	2,207,175	2,469,422	1,850,796	4,320,218
Distribution to members:					
Current year drawings	-	-	-	(1,925,410)	(1,925,410)
Prior year drawings	-	-	-	(469,759)	(469,759)
Other movements					
Tax paid	-	(1,450,978)	(1,450,978)	-	(1,450,978)
Amounts due (by)/to members:					
At 30 April 2008	262,247	756,197	1,018,444	(544,373)	474,071

Except for claims made by fixed share equity members in respect only of their fixed share of profits, members' interests rank after unsecured creditors in the event of the winding up of the limited liability partnership.

All amounts due to members relate to items falling due within one year.

**FASKEN MARTINEAU LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 April 2008

---

13 CREDITORS: amounts falling due after one year

	2008 £	2007 £
Bank loans	662,389	-
Finance leases	516,487	-
	<u>1,178,876</u>	<u>-</u>
Amounts repayable by instalments falling due:		
In more than one year but not more than two	506,248	-
In more than two years but not more than five	672,628	-
	<u>1,178,876</u>	<u>-</u>

Obligations under finance leases are secured on related assets

14 RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	2,428,096	3,140,940
Depreciation	390,218	70,027
Decrease/(Increase) in debtors	49,771	(1,655,345)
Increase in creditors	2,567,968	456,707
Net cash flow from operations	<u>5,436,053</u>	<u>2,013,329</u>

15 COMMITMENTS UNDER OPERATING LEASES

At 30 April 2008 the LLP had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Plant and Machinery	
	2008 £	2007 £	2008 £	2007 £
Expiring within one year	-	-	-	24,519
Expiring between two and five years	912,900	-	116,965	91,322
Expiring in five years or more	-	361,267	-	-
	<u>912,900</u>	<u>361,267</u>	<u>116,965</u>	<u>115,841</u>

15 CONTINGENT LIABILITIES

The limited liability partnership has received claims in the normal course of business, but it is not considered that any further provisions are required in addition to those already included in these financial statements.

FASKEN MARTINEAU LLP  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 30 April 2008

---

17 RELATED PARTY TRANSACTIONS

During the year the LLP recharged £374,643 (2007: £454,280) to Fasken Martineau Du Moulin LLP, an associated partnership in Canada in respect of merger related and other costs. These other costs include marketing costs for the Combined partnership and management and administration costs. The LLP was owed £ Nil (2007: £143,445 (see note 9) by Fasken Martineau Du Moulin LLP and owed them £2,932,623 (2007: £676,285) (see note 11) at the year end.