

LLP Registration No. OC326165

MILLS & REEVE LLP

Report and Financial Statements

31 May 2013

RE-SCAN

MOHIDAY



LD3

L2LVWJSZ

25/11/2013

#1

COMPANIES HOUSE

03/07/2013

27-11-13 093

MILLS & REEVE LLP

REPORT AND FINANCIAL STATEMENTS 2013

CONTENTS	Page
Members and professional advisers	1
Members' report	2
Members' responsibilities statement	3
Independent auditor's report	4
Consolidated profit and loss account	6
Consolidated balance sheet	7
Balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10
Additional information	20
Detailed profit and loss account	21
Notes to the detailed profit and loss account	22
Partners' A and B capital account summary	24
Partners' current tax summary	26
Partners' deferred tax summary	28
Partners' current accounts	30

MILLS & REEVE LLP

REPORT AND FINANCIAL STATEMENTS 2013

MEMBERS AND PROFESSIONAL ADVISERS

DESIGNATED MEMBERS

R M Jeffries
G R Hinchley
C M Clarke
S K Hamilton (resigned 11 June 2012)
G J Hodgson (resigned 11 June 2012)
C E Jenkins (appointed 11 June 2012)
J J P Ripman (appointed 11 June 2012)
N V Stone (resigned 11 June 2012)
J G Wheatley (resigned 11 June 2012)

REGISTERED OFFICE

Fountain House
130 Fenchurch Street
London
EC3M 5DJ

BANKERS

The Royal Bank of Scotland Plc
1 Broadland Business Park
Peachman Way
Norwich
NR7 0WF

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge
United Kingdom

MILLS & REEVE LLP

MEMBERS' REPORT

The members are pleased to present their report and the audited financial statements for the year ended 31 May 2013

PRINCIPAL ACTIVITY

The principal activity of Mills & Reeve LLP is the provision of legal services in the UK

GROUP STRUCTURE

These financial statements are the statutory accounts for Mills & Reeve LLP and reflect the results for the year to 31 May 2013. The financial statements consolidate the accounts of Mills & Reeve LLP and all its subsidiary undertakings (the 'group') drawn up to 31 May each year.

RESULTS AND REVIEW OF BUSINESS

The results for the year are set out on page 6. The members regard the results and future prospects to be satisfactory.

DESIGNATED MEMBERS

The designated members who served throughout the year are shown on page 1.

MEMBERS' DRAWINGS AND CAPITAL POLICY

The members' policy on drawings is dependent upon the working capital requirements of the firm. A conservative level of monthly drawings is set at the start of the year and further distributions are made once the results for the year are known and announced to the members.

The level of members' capital is determined by the members from time to time. Capital is repaid to members on resignation from the firm, or at such other time as is determined by the Board.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to those of other employees.

EMPLOYEE CONSULTATION

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings, intranet announcements and office briefings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditors will be proposed at the next meeting of the Board.



Approved and signed on behalf of the Board

RM Seffries

6 September 2013

MILLS & REEVE LLP

MEMBERS' RESPONSIBILITIES STATEMENT

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require 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). The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLS & REEVE LLP

We have audited the financial statements of Mills & Reeve LLP (the "financial statements") for the year ended 31 May 2013 which comprise the consolidated profit and loss account, the consolidated and limited liability partnership balance sheets, the consolidated cash flow statement and the related notes 1 to 22. 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 applicable to limited liability partnerships. 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 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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and parent LLP's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the members, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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

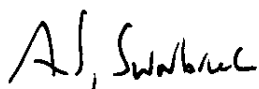
- give a true and fair view of the state of the group's and of the parent LLP's affairs as at 31 May 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLS & REEVE LLP (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 applicable to limited liability partnerships requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit



Andrew Swarbrick BA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

11 September 2013

MILLS & REEVE LLP**CONSOLIDATED PROFIT AND LOSS ACCOUNT****Year ended 31 May 2013**

	Note	2013 £'000	2012 £'000
TURNOVER	2	70,544	69,062
Direct costs		(23,616)	(23,591)
Other operating income		458	372
GROSS PROFIT		47,386	45,843
Administrative expenses		(22,170)	(20,488)
OPERATING PROFIT		25,216	25,355
Net interest receivable	5	479	519
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	25,695	25,874
Taxation	6	(317)	(332)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	25,378	25,542
Loss / (profit) retained in subsidiaries		29	(30)
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		25,407	25,512
Members' remuneration charged as an expense	14	(25,407)	(25,512)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		-	-

All results relate to continuing activities

There have been no recognised gains and losses other than the profit for the current and previous year. Accordingly no statement of total recognised gains and losses is presented.

MILLS & REEVE LLP

CONSOLIDATED BALANCE SHEET 31 May 2013

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Tangible assets	8	6,631	4,064
CURRENT ASSETS			
Stocks		45	49
Debtors	10	25,965	24,520
Cash at bank and in hand		2,871	2,398
		28,881	26,967
CREDITORS: amounts falling due within one year	11	(10,389)	(8,931)
NET CURRENT ASSETS		18,492	18,036
TOTAL ASSETS LESS CURRENT LIABILITIES		25,123	22,100
PROVISIONS FOR LIABILITIES	12	(239)	(129)
NET ASSETS ATTRIBUTABLE TO MEMBERS		24,884	21,971
REPRESENTED BY:			
Members' capital classified as a liability under FRS25	13	13,380	10,681
Other reserves classified as a liability under FRS25	13	11,504	11,290
	13	24,884	21,971

These financial statements of Mills & Reeve LLP, registered number OC326165 were approved by the Board on behalf of the Members and authorised for issue on 6 September 2013.

Signed on behalf of the Board

Mark Jeffries

Designated Member

RM Jeffries

G.R. Hinchley

Designated Member

GR Hinchley

MILLS & REEVE LLP

BALANCE SHEET

31 May 2013

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Tangible assets	8	6,621	4,054
Investments	9	261	261
		<u>6,882</u>	<u>4,315</u>
CURRENT ASSETS			
Stocks		45	49
Debtors	10	25,815	24,365
Cash at bank and in hand		2,646	2,196
		<u>28,506</u>	<u>26,610</u>
CREDITORS: amounts falling due within one year	11	<u>(10,320)</u>	<u>(8,909)</u>
NET CURRENT ASSETS		<u>18,186</u>	<u>17,701</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		25,068	22,016
PROVISIONS FOR LIABILITIES	12	<u>(239)</u>	<u>(129)</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>24,829</u>	<u>21,887</u>
REPRESENTED BY:			
Members' capital classified as a liability under FRS25	13	13,380	10,681
Other reserves classified as a liability under FRS25	13	11,449	11,206
	13	<u>24,829</u>	<u>21,887</u>

These financial statements of Mills & Reeve LLP, registered number OC326165 were approved by the Board on behalf of the members and authorised for issue on 6 September 2013.

Signed on behalf of the Board

Mark Jeffries

Designated Member

R M Jeffries

G R Hinchley

Designated Member

G R Hinchley

MILLS & REEVE LLP**CONSOLIDATED CASH FLOW STATEMENT****Year ended 31 May 2013**

	Note	2013 £'000	2012 £'000
Net cash inflow from operating activities	16	25,949	27,886
Returns on investments and servicing of finance	17	479	520
Taxation	17	(337)	(513)
Capital expenditure and financial investment	17	(3,818)	(1,401)
Transactions with members	17	(21,298)	(24,590)
Net cash inflow (outflow) before financing		975	1,902
Financing	17	(129)	(257)
Increase in cash	18,19	846	1,645

MILLS & REEVE LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2013

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. These have all been applied consistently throughout the current and prior year.

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice, 'Accounting by Limited Liability Partnerships'. The particular accounting policies adopted by the members are described below.

Accounting convention

The financial statements have been prepared in accordance with the historical cost convention.

Going concern

The firm has again increased both turnover and profit during the year.

In the current low growth environment the firm continues to benefit from its diverse client base and exposure to a number of different sectors without becoming overly reliant on any one area. The members continue to work hard on internal facing activities to increase profitability, including investment in innovative IT systems, and external facing activities to grow the business including specific investment in new markets where opportunities are identified (see note 22 for details).

Investment in debt and work in progress management via new IT systems and increased headcount has delivered an improvement in year end lock up days.

At the year end members' capital was £13.4m and other reserves totalled £11.5m. The firm meets its day to day working capital requirements through an overdraft facility which is due for an annual renewal in September 2013. The firm's profit and cash flow forecasts, taking account of possible changes in trading performance, show that the firm should be able to operate within the level of the current overdraft facility and the bank has indicated its willingness to renew its current overdraft facility. The firm also has some discretion over the timing of cash distributions to its members during the year.

The members, following a review of the firm's financial plan for the coming twelve months, have formed the judgement that there is a reasonable expectation that the firm has adequate resources to continue in operational existence for the foreseeable future despite an uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing these accounts.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Mills & Reeve LLP and all its subsidiaries. The acquisition method has been adopted.

In accordance with section 408 of the Companies Act 2006, the separate profit and loss account of the parent LLP is not presented in these financial statements. The profit for the year available for division among members reflected in the individual profit and loss account of the LLP for the year ended 31 May 2013 is £25,407k (2012 - £25,512k).

Tangible fixed assets

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

Leasehold buildings and improvements (excluding fit out costs)	the unexpired period of the lease
Fit out costs	15 years or unexpired period of the lease
Computer equipment	3 to 5 years
Fixtures, fittings and office equipment	3 to 10 years
Motor vehicles	3 or 4 years

No depreciation is provided on assets in the course of construction.

MILLS & REEVE LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2013

1. ACCOUNTING POLICIES (continued)

Investments

Fixed asset investments are shown at cost less provision for impairment

Stocks

Stocks are stated at the lower of cost and net realisable value

Amounts recoverable from clients in respect of unbilled work performed

Services provided during the year to clients which at the balance sheet date have not yet been billed, are recognised as turnover in accordance with Financial Reporting Standard No 5. Turnover is recognised by reference to an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement.

Provision is made against unbilled amounts on those client engagements where the right to receive consideration is contingent on factors outside the control of the group.

Taxation

Members are personally liable for taxation on their share of the profits of the limited liability partnership. Consequently no reserve for taxation is made in the financial statements in respect of members' tax liabilities, and the profits are shown within 'Members' interests' or as 'Loans and other debts due to members' without any deduction for tax.

The consolidated accounts incorporate the tax position of the underlying subsidiaries, which are subject to corporation tax due to their company status. The accounting policy applied in the recognition of this tax position in the consolidated accounts is detailed below.

Current tax, comprising UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leases

Rents payable and receivable under operating leases are charged on a straight line basis over the lease term, even if the payments or receipts are not made on such a basis.

Pension costs

The firm operates a group personal pension plan. Contributions to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Dilapidations

Dilapidation costs are provided when the amounts payable can be measured. These costs are then spread over the remaining life of the lease.

2. TURNOVER

Turnover represents fee income earned from the provision of legal services in the United Kingdom, and is stated net of value added tax.

No segmental analysis has been shown since the members consider that such disclosure would be prejudicial to the business.

MILLS & REEVE LLP

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 May 2013

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation is after charging / (crediting)		
Loss on disposals	5	3
Depreciation	1,246	1,192
Rentals under operating leases		
Land and buildings	2,572	2,314
Rentals received from operating leases		
Land and buildings	(109)	-
Auditor's remuneration		
Audit fees	33	31
Other services pursuant to legislation	20	19
Tax services	6	-5
	<u> </u>	<u> </u>

4. STAFF COSTS

	2013 No.	2012 No.
Staff numbers		
Fee earners	332	333
Secretaries	153	153
Support staff	154	152
	<u> </u>	<u> </u>
	639	638
Staff costs	<u> </u>	<u> </u>
	£'000	£'000
Employee costs during the period amounted to		
Wages and salaries	23,789	23,804
National insurance	3,283	3,285
Pension costs	2,732	2,603
	<u> </u>	<u> </u>
	29,804	29,692
	<u> </u>	<u> </u>

5. NET INTEREST RECEIVABLE

	2013 £'000	2012 £'000
Bank interest receivable (net of amounts paid to clients)	494	536
Bank interest payable	(15)	(17)
	<u> </u>	<u> </u>
	479	519
	<u> </u>	<u> </u>

6. TAXATION

	2013 £'000	2012 £'000
Tax charge for the period		
Current taxation		
United Kingdom corporation tax	317	332
	<u> </u>	<u> </u>

MILLS & REEVE LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2013

6. TAXATION (continued)

The standard rate of corporation tax for the year, based on the UK standard rate of corporation tax is 23.8% (2012 - 25.7%). The actual tax charge for the current period differs from the standard rate for the reasons set out in the following reconciliation

	2013 £'000	2012 £'000
Reconciliation of current tax		
Profit on ordinary activities before taxation	25,695	25,874
Tax on profit on ordinary activities at standard rate	6,124	6,641
Profit assessable to members	(6,055)	(6,548)
Transfer pricing adjustment	248	239
Total actual amount of current tax	317	332

In March 2012, the UK Government announced a reduction in the standard rate of UK corporation tax to 24% effective 1 April 2012 and to 23% effective 1 April 2013. These rate reductions became substantively enacted in March 2012 and July 2012 respectively. The UK government also proposed to further reduce the standard rate of UK corporation tax to 21% effective 1 April 2014 and 20% effective 1 April 2015, but these changes have not been substantively enacted.

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

7. MEMBERS' SHARE OF PROFITS

Profits are shared among the members in accordance with agreed profit sharing arrangements and include interest on members' funds. Members are required to make their own provision for pensions and tax from their profit shares.

	2013 No	2012 No
Average number of members during the year	99	99

Profit attributable to the member with the largest entitlement to profit was £370,789 (2012 - £369,045)

MILLS & REEVE LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2013

8. TANGIBLE FIXED ASSETS

GROUP	Leasehold buildings and impro- vements £'000	Assets in the course of construction £'000	Fixtures and fittings £'000	Office equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost							
At 1 June 2012	7,088	228	1,285	963	3,937	26	13,527
Additions	-	2,912	446	26	685	-	4,069
Disposals	(3,210)	-	(407)	(234)	-	-	(3,851)
Transfers	3,140	(3,140)	-	-	-	-	-
At 31 May 2013	7,088	-	1,324	755	4,622	26	13,745
Accumulated depreciation							
At 1 June 2012	5,054	-	1,136	654	2,617	2	9,463
Charge for the year	436	-	78	71	655	6	1,246
Disposals	(2,960)	-	(406)	(229)	-	-	(3,595)
At 31 May 2013	2,530	-	808	496	3,272	8	7,114
Net book value							
At 31 May 2013	4,488	-	516	259	1,350	18	6,631
At 31 May 2012	2,034	228	149	309	1,320	24	4,064
LLP							
	Leasehold buildings and impro- vements £'000	Assets in the course of construction £'000	Fixtures and fittings £'000	Office equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost							
At 1 June 2012	7,071	228	1,285	963	3,937	26	13,510
Additions	-	2,912	446	26	685	-	4,069
Disposals	(3,210)	-	(407)	(234)	-	-	(3,851)
Transfers	3,140	(3,140)	-	-	-	-	-
At 31 May 2013	7,001	-	1,324	755	4,622	26	13,728
Accumulated depreciation							
At 1 June 2012	5,047	-	1,136	654	2,617	2	9,456
Charge for the year	436	-	78	71	655	6	1,246
Disposals	(2,960)	-	(406)	(229)	-	-	(3,595)
At 31 May 2013	2,523	-	808	496	3,272	8	7,107
Net book value							
At 31 May 2013	4,478	-	516	259	1,350	18	6,621
At 31 May 2012	2,024	228	149	309	1,320	24	4,054

MILLS & REEVE LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2013

9. FIXED ASSET INVESTMENTS

	2013 £'000	2012 £'000
LLP		
Subsidiary undertakings	250	250
Other investments and loans	11	11
	<u>261</u>	<u>261</u>

Name	Nature of trade	Proportion of share capital and voting rights held	Country of incorporation
Mills & Reeve Limited	Dormant company	100%	UK
Everslum Services	Dormant company	100%	UK
Mills & Reeve Nominees Limited	Dormant company	100%	UK
Francis House Trustees Limited	Management services	100%	UK
Wellred Nominees Limited	Management services	100%	UK
M & R Secretarial Services Limited	Secretarial services	100%	UK
Mills & Reeve Trust Corporation Limited	Trust services	100%	UK
Mills & Reeve Services Limited	Employment services	100%	UK
M&R Sarum 1 Limited *	Dormant company	100%	UK
M&R Sarum 2 Limited *	Dormant company	100%	UK
M&R Sarum 3 Limited *	Dormant company	100%	UK
M&R Sarum 4 Limited *	Dormant company	100%	UK
Sarum (TCC) Limited *	Dormant company	100%	UK
M&R Dorney 1 Limited *	Dormant company	100%	UK
M&R Dorney 2 Limited *	Dormant company	100%	UK
M&R Dorney 3 Limited *	Dormant company	100%	UK
M&R Dorney 4 Limited *	Dormant company	100%	UK
Dorney (CUEF) Limited *	Dormant company	100%	UK

All of the above investments are held directly by the LLP other than indirect subsidiaries as marked

* represents indirect subsidiaries (held by Mills & Reeve Trust Corporation Limited)

10. DEBTORS

	GROUP		LLP	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Due within one year:				
Trade debtors	17,224	17,013	17,224	17,012
Amounts recoverable from clients in respect of unbilled work performed	5,417	5,209	5,417	5,209
Accrued income	476	195	476	195
Other debtors	692	618	551	464
Prepayments	2,156	1,485	2,147	1,485
	<u>25,965</u>	<u>24,520</u>	<u>25,815</u>	<u>24,365</u>

MILLS & REEVE LLP

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 May 2013

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		LLP	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Bank overdraft	345	718	345	718
Bank loan	-	129	-	129
Trade creditors	3,228	2,150	3,228	2,137
Amount owed to group undertakings	-	-	2,311	2,548
Taxation and social security	3,010	2,985	1,270	1,285
Accruals and deferred income	2,308	1,915	1,673	1,227
Provision for annuity	121	-	121	-
Sundry creditors	63	79	63	76
Former partners' accounts	1,167	789	1,167	789
Corporation tax	147	166	-	-
	<u>10,389</u>	<u>8,931</u>	<u>10,178</u>	<u>8,909</u>

The bank loan and overdraft are both unsecured

12. PROVISIONS FOR LIABILITIES

GROUP AND LLP	Claims provision £'000
At 1 June 2012	129
Charged to profit and loss account	202
Utilisation of provision	(92)
At 31 May 2013	<u>239</u>

13. TOTAL MEMBERS' INTERESTS

GROUP	Members' capital £'000	Other reserves £'000	Total members' interests £'000
At 1 June 2012	10,681	11,290	21,971
Allocated profits	-	25,378	25,378
Capital introduced	3,371	-	3,371
Transfer to former partners' accounts	(672)	(495)	(1,167)
Drawings	-	(24,669)	(24,669)
At 31 May 2013	<u>13,380</u>	<u>11,504</u>	<u>24,884</u>

MILLS & REEVE LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2013

TOTAL MEMBERS' INTERESTS (continued)

LLP	Members' capital £'000	Other reserves £'000	Total members' interests £'000
At 1 June 2012	10,681	11,206	21,887
Allocated profits	-	25,407	25,407
Capital introduced	3,371	-	3,371
Transfer to former partners' accounts	(672)	(495)	(1,167)
Drawings	-	(24,669)	(24,669)
At 31 May 2013	13,380	11,449	24,829

In the event of a winding up, loans and other debts due to members and members' other interests rank subordinate to other unsecured creditors

14 FINANCIAL OBLIGATIONS

Capital commitments are as follows

	2013 £'000	2012 £'000
Contracted for but not provided for		
- Cambridge office relocation and fit out	-	3,360
	-	3,360

Annual commitments under non-cancellable operating leases are as follows

Land and buildings	2013 £'000	2012 £'000
Leases which expire		
Within one year	29	22
Between one and five years	322	1,008
After five years	1,989	1,169
	2,340	2,199

15. PENSIONS

There were no amounts due or prepaid as at 31 May 2013 (2012 £nil)

16. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000
Operating profit	25,216	25,355
Depreciation	1,246	1,192
Loss on sale of fixed assets	5	3
(Increase) / decrease in debtors	(1,445)	1,717
Increase / (decrease) in creditors	813	(70)
Decrease in stocks	4	7
Increase / (decrease) in provisions	110	(318)
Net cash inflow from operating activities	25,949	27,886

MILLS & REEVE LLP

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 May 2013

17. ANALYSIS OF CASH FLOWS

	2013 £'000	2012 £'000
Returns on investment and servicing of finance		
Interest received	494	536
Interest paid	(15)	(16)
	<u>479</u>	<u>520</u>
Taxation		
Tax paid	<u>(337)</u>	<u>(513)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(4,069)	(1,409)
Receipts from sales of tangible fixed assets	251	8
	<u>(3,818)</u>	<u>(1,401)</u>
Transactions with members		
Payments to members	(24,669)	(24,904)
Capital introduced by members	3,371	314
	<u>(21,298)</u>	<u>(24,590)</u>
Financing		
Repayment of borrowings	<u>(129)</u>	<u>(257)</u>

18. ANALYSIS OF CHANGES IN NET FUNDS (DEBT)

	1 June 2012 £'000	Cash flow £'000	31 May 2013 £'000
Cash at bank and in hand	2,398	473	2,871
Bank overdraft	(718)	373	(345)
		<u>846</u>	
Debt due after one year	-	-	-
Debt due within one year	(129)	129	-
Total	<u>1,551</u>	<u>975</u>	<u>2,526</u>

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (DEBT)

	2013 £'000	2012 £'000
Increase in cash	846	1,645
Cash outflow from change in debt	129	257
	<u>975</u>	<u>1,902</u>
Change in net debt resulting from cash flows	1,551	(351)
Net funds (debt) at 1 June 2012	<u>1,551</u>	<u>(351)</u>
Net funds at 31 May 2013	<u>2,526</u>	<u>1,551</u>

MILLS & REEVE LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2013

20. TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties were conducted on an arm's length basis conferred by Financial Reporting Standard 8

The members have taken advantage of the exemption from reporting transactions with other group companies on the grounds that group accounts are prepared

21. CONTROLLING PARTY

In the opinion of the members there is no controlling party as defined by Financial Reporting Standard 8

22. POST BALANCE SHEET EVENTS

On 1 June 2013 the LLP acquired the net assets of George Davies Solicitors LLP and on the same date twelve former members of that partnership joined Mills & Reeve LLP as members

The acquisition agreement provides for consideration to be paid based on net asset value as at 31 May 2013 subject to various review provisions to account for actual realisation of certain assets. As such the final consideration will not be known until December 2013



Companies House

COMPANY NAME: MILLS & REEVE LLP

COMPANY NUMBER: OC326165

**Pages containing unnecessary material were administratively removed
from the accounts on 10/02/2014**