

# Critchleys LLP

(LLP no OC354137)

## Consolidated Financial Statements

For the year ended

31 May 2011

TUESDAY



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**CRITCHLEYS LLP**

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# **CRITCHLEYS LLP**

## **Members and Professional Advisers**

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Designated members	Kevin Byrne FCA Dai David Ltd Michael Good Ltd Anthony Harris Ltd Gerry Jackson Ltd Peter Kemp Ltd Robert Kirtland Ltd Gavin Little Ltd Mark Rusher Ltd Adam Stein FCA	Appointed 24 May 2010 Appointed 24 May 2010 Appointed 24 May 2010 Appointed 14 April 2010 Appointed 24 May 2010 Appointed 24 May 2010 Appointed 14 April 2010 Appointed 24 May 2010 Appointed 24 May 2010 Appointed 24 May 2010
Members	Tim Keeley Justin Ray Ltd Martin Wright ACA Critchleys Annuitants	Appointed 7 June 2010 Appointed 24 May 2010 Appointed 7 June 2010 Appointed 24 May 2010
Registered Office	Greyfriars Court Paradise Square Oxford OX1 1BE	
Bankers	Barclays Bank plc Minns Business Park 3 West Way Oxford OX2 0SZ	
Registered Auditor	Mercer Lewin Ltd Registered Auditors 41 Cornmarket Street Oxford OX1 3HA	

# **CRITCHLEYS LLP**

## **Members' Report**

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The members present their annual report and group financial statements for the year ended 31 May 2011

Critchleys LLP was incorporated on 14 April 2010 and began trading on 1 June 2010

### **PRINCIPAL ACTIVITY**

The group's principal activities are that of a firm of Chartered Accountants and the provision of financial, HR, payroll and specialist taxation services

### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

A summary of the results for the year and the financial position are set out in the financial statements on pages 7 to 20

2011 was a year of economic uncertainty for many but in spite of this the group was able to extend upon its fee base, in particular through growth within specialist taxation services. Notwithstanding, our plan for growth relies on our ability to deliver a wide range of services to clients in addition to our core services of accounts preparation, audit & assurance and taxations services. The provision of high level tax planning strategies, wealth management and private client services alongside more fundamental sound common sense advice will continue to help grow our clients' net worth.

None of this is possible without the commitment and expertise of our people, and we continue to invest in the skills, attitude and technical expertise underlined by our robust and specific statement of values. The members are extremely grateful for the efforts of our people, who are committed to "going the extra mile" for our clients.

### **PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP**

Our business performance reflects the state of the economy, where recovery will be slow. Our management controls are appropriate to the conditions, but we remain exposed to the same environmental factors as our client base.

In addition, succession planning is critical to our future. As a people based business, the training and development of our teams is important. Regulatory changes by Government may have severe impacts on our business, but we believe that our planning processes are robust enough to identify potential issues at an early stage so that we can take avoiding action.

In summary, we remain comfortable that our risks are mitigated by planning, management control and insurance cover.

### **KEY PERFORMANCE INDICATORS**

The increase in turnover has arisen predominantly from the provisioning of specialist tax advice work, with other areas of activity being somewhat flat in terms of growth. This, coupled with the savings made within the general overhead base, has allowed the firm to broadly retain its staff base.

# **CRITCHLEYS LLP**

## **Members' Report (continued)**

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### **DESIGNATED MEMBERS**

The designated members of the LLP during the year together with subsequent changes are listed on page 1

### **STATEMENT OF MEMBERS RESPONSIBILITIES**

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and the group and of the group profit for the year. In preparing those financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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,
- 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 are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) 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

So far as each member at the date of approval of this report is aware

- there is no relevant audit information of which the LLP's auditors are unaware, and
- the members have taken all steps that they ought to have to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The members' responsibilities above are discharged by the Designated Members and Finance Partner

## **CRITCHLEYS LLP**

### **Members' Report (continued)**

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#### **TRANSACTIONS WITH MEMBERS**

The members participate fully in the LLP's profit, share the risks and subscribe the firm's capital

An individual member's capital requirement is linked to his or her profit share and the financing requirements of the firm. There is no opportunity for appreciation in value of the capital subscribed. Just as incoming members introduce their capital at "par", retiring members are repaid their capital at "par". The payment of capital to retiring members is made over a period of 24 months.

The firm's drawings policy allows each member to draw a proportion of his or her profit share in twelve monthly instalments with the balance of their profits paid in periodic instalments, subject to the cash requirements of the business.

**On behalf of the members**



**D David (On behalf of D David Ltd)**

Chairman

5 December 2011

## **CRITCHLEYS LLP**

### **Independent Auditors' Report to the members of Critchleys LLP**

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We have audited the financial statements of Critchleys LLP for the year ended 31 May 2011, which comprise the Group Profit and Loss Account, the Group and Parent Balance Sheets, the Group Cash flow Statement and the related notes. The financial reporting framework that has been applied in their presentation 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) 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 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 auditors**

As explained more fully in the Members' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standard for Auditors.

#### **Scope of the audit and 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, the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Member's 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.

## **CRITCHLEYS LLP**

### **Independent Auditors' Report (continued)** to the members of Critchleys LLP

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#### **Opinions on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group and of the parent limited liability partnership's affairs as at 31 May 2011 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 properly 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 the Companies Act 2006) Regulations 2008

#### **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 requires us to report to you if, in our opinion

- adequate reporting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent limited liability partnership 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 Churchill Stone  
**Senior Statutory Auditor**

for and on behalf of

Mercer Lewin Ltd, Statutory Auditor

41 Cornmarket Street  
Oxford  
OX1 3HA

Date 15 December 2011

# CRITCHLEYS LLP

## Accounting Policies for the year ended 31 May 2011

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The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting for Limited Liability Partnerships as published in 2006 ("the SORP"). Comparative *pro forma* amounts for the year to 31 May 2010 are presented as required by the SORP, these amounts are unaudited and have been drawn from the Critchleys partnership from which Critchleys LLP was formed, the business having been transferred on 1 June 2010.

The group's principal accounting policies are set out below and have been applied consistently.

### (a) BASIS OF PREPARATION

The consolidated financial statements comprise the accounts of Critchleys LLP and all of its subsidiary undertakings drawn up to 31 May each year.

No profit and loss account is presented for Critchleys LLP as permitted by Section 408 of Companies Act 2006.

### (b) REVENUE RECOGNITION

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

For incomplete contracts, an assessment is made of the extent to which the revenue has been earned. This assessment takes into account the nature of the assignment, its stage of completion and the relevant contract terms. Revenue in respect of contingent fee engagements (over and above any agreed minimum fee) is recognised when the contingent event occurs and the recoverability of the fee assured.

Accrued income includes the value of work performed which has not been invoiced at the year end, in accordance with UITF40 (FRS5).

Commission income is included in the accounts on an accruals basis.

### (c) DEPRECIATION / FIXED ASSETS

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives as follows:

Property improvements	10% straight line
Fixtures and fittings	15% reducing balance
Computer equipment	25% straight line

## **CRITCHLEYS LLP**

### **Accounting Policies** for the year ended 31 May 2011 (continued)

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#### **(d) INVESTMENTS**

Investments in subsidiary undertakings are stated at cost less amounts written off

#### **(e) LEASED ASSETS**

Where assets are financed by leasing (or hire purchase) agreements that give risks and rewards which approximate to ownership ("finance leases"), they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset.

Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability, and an interest charge.

Depreciation on such assets is based on the normal depreciation policy as detailed above.

All other leases are regarded as operating leases and total payments made under them are charged to the profit and loss account on a straight line basis over the duration of the lease.

#### **(f) PENSION COSTS**

The group and LLP operate a defined contribution scheme. The assets of the scheme are held separately from those of the group and LLP in an independent administered fund. The pension cost charge represents contributions payable by the group to the fund.

#### **(g) DILAPIDATION PROVISIONS**

Provision is made for any property dilapidation costs that may be incurred in the future, upon termination of lease, where the cost is likely to be incurred and a reasonable estimate can be made.

## CRITCHLEYS LLP

### Consolidated Profit and Loss Account for the year ended 31 May 2011

	Note	2011 £'000	2010 £'000
<b>Gross income</b>	1	<b>7,934</b>	7,458
Disbursements		<b>(134)</b>	(106)
<b>Net income</b>		<b>7,800</b>	7,352
Direct costs	1	<b>(3,927)</b>	(3,794)
<b>Gross profit</b>		<b>3,873</b>	3,558
Overheads		<b>(1,523)</b>	(1,601)
Other operating income		<b>31</b>	31
<b>Operating profit</b>	1	<b>2,381</b>	1,988
Interest payable	2	<b>(24)</b>	(18)
<b>Profit on ordinary activities</b>		<b>2,357</b>	1,970
Minority interest	12	<b>(154)</b>	(123)
<b>Profit for the year before members' remuneration and profit shares</b>		<b>2,203</b>	1,847
Members' remuneration charged as an expense		<b>(1,538)</b>	(1,445)
<b>Profit for the financial year available for discretionary division among members</b>	11	<b>665</b>	402

The accounting policies on pages 7 and 8 and the notes on pages 12 to 20 form an integral part of these financial statements

# CRITCHLEYS LLP

## Balance Sheets

As at 31 May 2011

	Note	Group 2011	Group 2010	LLP 2011	LLP 2010
<b>FIXED ASSETS</b>					
Tangible assets	5	178	207	149	165
Investments	6	0	0	32	32
		<u>178</u>	<u>207</u>	<u>181</u>	<u>197</u>
<b>CURRENT ASSETS</b>					
Debtors	7	3,018	2,813	2,548	2,491
Cash at bank and in hand		147	68		
		<u>3,165</u>	<u>2,881</u>	<u>2,548</u>	<u>2,491</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>(1,623)</u>	<u>(1,644)</u>	<u>(1,095)</u>	<u>(1,260)</u>
<b>NET CURRENT ASSETS</b>		<u>1,542</u>	<u>1,237</u>	<u>1,453</u>	<u>1,231</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,720</b>	<b>1,444</b>	<b>1,634</b>	<b>1,428</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<b>(250)</b>	<b>(250)</b>	<b>(250)</b>	<b>(250)</b>
<b>PROVISIONS FOR LIABILITIES</b>	10	<b>(181)</b>	<b>(167)</b>	<b>(181)</b>	<b>(167)</b>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u><b>1,289</b></u>	<u><b>1,027</b></u>	<u><b>1,203</b></u>	<u><b>1,011</b></u>
<b>REPRESENTED BY:</b>					
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS</b>					
Members' capital classified as a liability (due in more than one year)	11	515	505	515	505
Other amounts (due within one year)	11	484	312	515	343
		<u>999</u>	<u>817</u>	<u>1,030</u>	<u>848</u>
<b>MEMBERS' OTHER INTERESTS</b>					
Other reserves	11	199	163	173	163
Minority interest	12	91	47		
		<u>1,289</u>	<u>1,027</u>	<u>1,203</u>	<u>1,011</u>
<b>TOTAL MEMBERS' INTERESTS</b>	11	<u><b>1,198</b></u>	<u><b>980</b></u>	<u><b>1,203</b></u>	<u><b>1,011</b></u>

The financial statements were approved by the Members and authorised for issue on 5 December 2011

D David

(On behalf of D David Ltd)

R Kirtland  
(On behalf of RM Kirtland Ltd)

The accounting policies on pages 7 and 8 and the notes on pages 12 to 20 form an integral part of these financial statements

# CRITCHLEYS LLP

## Consolidated Cash Flow Statement for the year ended 31 May 2011

	Note	2011 £'000	2011 £'000	2010 £'000	2010 £'000
<b>Net cash inflow from operating activities</b>	15		<b>2,348</b>		2,554
<b>Returns on investments and servicing of finance</b>					
Interest paid		(24)		(18)	
Payments made to minority interests		<u>(110)</u>		<u>(106)</u>	
			<b>(134)</b>		(124)
<b>Taxation</b>					
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		(46)		(74)	
Sale of tangible fixed assets					
<i>Net cash outflow for capital expenditure and financial investment</i>		<u></u>	<b>(46)</b>	<u></u>	(74)
<b>Transactions with members and former members</b>					
Payments to and on behalf of members		(1,995)		(2,121)	
Members capital introduced		10			
Members capital repaid		-			
<i>Net cash outflow from transactions with members and former members</i>		<u></u>	<b>(1,985)</b>	<u></u>	(2,121)
<b>Net cash inflow before use of liquid resources and financing</b>			<b>183</b>		235
<b>Financing</b>					
Bank loans repaid			-		-
<b>Increase in cash</b>	16		<b>183</b>		235

The accounting policies on pages 7 and 8 and the notes on pages 12 to 20 form an integral part of these financial statements

# CRITCHLEYS LLP

## Notes to the Financial Statements for the year ended 31 May 2011

### 1. GROSS INCOME AND OPERATING PROFIT

Gross income and operating profit are attributable to the principal activity and arose in the United Kingdom

	2011 £'000	2010 £'000
Operating profit is stated after charging		
Depreciation – owned assets	75	74
Auditors' remuneration	10	
Profit attributable to members of subsidiaries	728	550

### 2. INTEREST PAYABLE

	2011 £'000	2010 £'000
On bank loans and overdrafts repayable within 5 years	24	18

### 3. STAFF COSTS

	2011 £'000	2010 £'000
Staff costs during the year were		
Wages and salaries	2,747	2,732
Social security costs	277	279
Other pension costs	60	64
	<u>3,084</u>	<u>3,075</u>
Average number of employees		
Client service staff	82	75
Support staff	21	24
	<u>103</u>	<u>99</u>

The group participates in a defined contribution pension scheme. The assets of the Scheme are held separate from those of the group in an independently administered fund. The group had contributions outstanding at the year end of £ 10,068 (2010 £ 9,135 )

## **CRITCHLEYS LLP**

### **Notes to the Financial Statements** for the year ended 31 May 2011 (continued)

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#### **4. MEMBERS' SHARE OF PROFITS**

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

	<b>2011 £'000</b>	<b>2010 £'000</b>
Average profit entitlement per member	<b><u>157</u></b>	<b><u>154</u></b>
The share of profits which is attributable to the member with the largest entitlement to profit was	<b><u>224</u></b>	<b><u>194</u></b>
	<b>2011 Number</b>	<b>2010 Number</b>
Average number of members	<b><u>14</u></b>	<b><u>12</u></b>

# CRITCHLEYS LLP

## Notes to the Financial Statements for the year ended 31 May 2011 (continued)

### 5. TANGIBLE FIXED ASSETS

Group	Total £'000	Furniture and Fittings £'000	Computer Equipment £'000	Bicycles £'000
<b>Cost</b>				
At 1 June 2010	1,363	434	927	2
Additions	46	6	38	2
Disposals	-	-	-	-
<b>At 31 May 2011</b>	<b>1,409</b>	<b>440</b>	<b>965</b>	<b>4</b>
<b>Depreciation</b>				
At 1 June 2010	1,156	319	836	1
Additions	75	19	53	3
Disposals	-	-	-	-
<b>At 31 May 2011</b>	<b>1,231</b>	<b>338</b>	<b>889</b>	<b>4</b>
<b>Net book amounts</b>				
<b>At 31 May 2011</b>	<b>178</b>	<b>102</b>	<b>76</b>	<b>-</b>
At 31 May 2010	207	115	91	1
<b>LLP</b>				
<b>Cost</b>				
At 1 June 2010	1,294	409	883	2
Additions	41	1	38	2
Disposals	-	-	-	-
<b>At 31 May 2011</b>	<b>1,335</b>	<b>410</b>	<b>921</b>	<b>4</b>
<b>Depreciation</b>				
At 1 June 2010	1,129	312	816	1
Additions	57	15	39	3
Disposals	-	-	-	-
<b>At 31 May 2011</b>	<b>1,186</b>	<b>327</b>	<b>855</b>	<b>4</b>
<b>Net book amounts</b>				
<b>At 31 May 2011</b>	<b>149</b>	<b>83</b>	<b>66</b>	<b>-</b>
At 31 May 2010	165	97	67	1

Neither the group nor the LLP had any assets under hire purchase agreements

## CRITCHLEYS LLP

### Notes to the Financial Statements for the year ended 31 May 2011 (continued)

#### 6. INVESTMENTS

LLP	Total £'000	Subsidiary Undertaking £'000
Cost and net book amounts		
<b>At 31 May 2011</b>	<b>32</b>	32
At 31 May 2010	32	32
The LLP has investments in the following subsidiary undertakings		
Critchleys Financial Planning LLP	74%	
Critchleys HR & Payroll LLP	70%	
Landtax LLP	100%	

#### 7. DEBTORS

	Group 2011 £'000	Group 2010 £'000	LLP 2011 £'000	LLP 2010 £'000
Client debtors	2,037	1,803	1,148	1,247
Amounts due from subsidiary undertakings	-	-	612	447
Prepayments and accrued income	981	1,010	788	797
	<b>3,018</b>	2,813	<b>2,548</b>	2,491

## CRITCHLEYS LLP

### Notes to the Financial Statements for the year ended 31 May 2011 (continued)

#### 8. CREDITORS: Amounts falling due within one year

	<b>Group 2011 £'000</b>	<b>Group 2010 £'000</b>	<b>LLP 2011 £'000</b>	<b>LLP 2010 £'000</b>
Bank overdrafts	<b>359</b>	463	<b>359</b>	429
Trade creditors	<b>208</b>	160	<b>149</b>	138
Social security and other taxes	<b>365</b>	297	<b>365</b>	260
Accruals and deferred income	<b>276</b>	300	<b>181</b>	221
Other creditors	<b>41</b>	213	<b>41</b>	212
Amounts due to members of subsidiaries	<b>374</b>	211	-	-
	<b><u>1,623</u></b>	<u>1,644</u>	<b><u>1,095</u></b>	<u>1,260</u>

Barclays Bank plc holds a debenture over the assets of Critchleys LLP in respect of the bank overdrafts

#### 9. CREDITORS: Amounts falling due after more than one year

	<b>Group 2011 £'000</b>	<b>Group 2010 £'000</b>	<b>LLP 2011 £'000</b>	<b>LLP 2010 £'000</b>
Bank loans (unsecured)	<b>250</b>	250	<b>250</b>	250
	<b><u>250</u></b>	<u>250</u>	<b><u>250</u></b>	<u>250</u>

## CRITCHLEYS LLP

### Notes to the Financial Statements for the year ended 31 May 2011 (continued)

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#### 10. PROVISIONS FOR LIABILITIES

Group	Total £'000	FRS12 Provision £'000
At 1 June 2010	167	167
Provisions transferred	-	-
New provisions	14	14
Paid	-	-
<b>At 31 May 2011</b>	<b>181</b>	<b>181</b>
<b>LLP</b>		
At 1 June 2010	167	167
Provisions transferred	-	-
New provisions	14	14
Paid	-	-
	<b>181</b>	<b>181</b>

Provisions relate to dilapidations and are calculated in accordance with the accounting policy

# CRITCHLEYS LLP

## Notes to the Financial Statements for the year ended 31 May 2011 (continued)

### 11. TOTAL MEMBERS' INTERESTS

Group	Members' capital (due after one year) £'000	Loans and other debts due to/(from) members £'000	Total £'000	Other reserves £'000	Total £'000
At 1 June 2010	505	73	578	402	980
New capital introduced	10		10		10
Prior year profits now allocated to members		402	402	(402)	-
Members remuneration charged as an expense		1,538	1,538		1,538
Profit for the financial year available for discretionary division among members			-	665	665
Drawings		(1,995)	(1,995)		(1,995)
Repayments of capital			-		-
<b>At 31 May 2011</b>	<b>515</b>	<b>18</b>	<b>533</b>	<b>665</b>	<b>1,198</b>
Included in debtors		-			-
Members' funds		18			1,198
<b>LLP</b>					
At 1 June 2010	505	104	609	402	1,011
New capital introduced	10		10		10
Prior year profits now allocated to members		402	402	(402)	-
Members remuneration charged as an expense		1,538	1,538		1,538
Profit for the financial year available for discretionary division among members			-	639	639
Drawings		(1,995)	(1,995)		(1,995)
Repayments of capital			-		-
<b>At 31 May 2011</b>	<b>515</b>	<b>49</b>	<b>564</b>	<b>639</b>	<b>1,203</b>
Included in debtors		-			-
Members' funds		49			1,203

Loans and other amounts due to members may be set-off against amounts due from members included in debtors of £ NIL (2010 £ NIL) but would otherwise rank as unsecured creditors

## CRITCHLEYS LLP

### Notes to the Financial Statements for the year ended 31 May 2011 (continued)

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#### 12. MINORITY INTEREST

	<b>Group 2011 £'000</b>	<b>Group 2010 £'000</b>
At 1 June	<b>47</b>	24
Share of profit for the year	<b>154</b>	129
Payments made	<b>(110)</b>	(106)
<b>At 31 May</b>	<b><u>91</u></b>	<b><u>47</u></b>

#### 13. CONTINGENT LIABILITIES

Neither the group nor the LLP had any contingent liabilities as at 31 May 2011 or 31 May 2010

#### 14. OPERATING LEASE RENTALS

The annual commitment in respect of operating leases were as follows

	<b>Land and buildings 2011 £'000</b>	<b>2010 £'000</b>
Leases expiring		
Between 1 and 5 years	<b>309</b>	309
Over 5 years	-	-
	<b><u>309</u></b>	<b><u>309</u></b>

#### 15. NET CASH FLOW FROM OPERATING ACTIVITIES

	<b>Group 2011 £'000</b>	<b>Group 2010 £'000</b>
Operating profit	<b>2,381</b>	1,988
Depreciation	<b>75</b>	75
<i>Movements in</i>		
Debtors	<b>(205)</b>	164
Creditors	<b>83</b>	298
Provisions for liabilities	<b>14</b>	29
	<b><u>2,348</u></b>	<b><u>2,554</u></b>

## CRITCHLEYS LLP

### Notes to the Financial Statements for the year ended 31 May 2011 (continued)

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#### 16 ANALYSIS OF CHANGES IN NET FUNDS

	1 Jun 10 £'000	Cash flow £'000	31 May 11 £'000
Cash at bank and in hand	68	79	147
Bank overdrafts	(463)	104	(359)
Bank loans	(250)	-	(250)
	<u>(645)</u>	<u>183</u>	<u>(462)</u>

#### 17. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

	2011 £'000	2010 £'000
(Decrease)/Increase in cash for the year	183	235
Cash flow from decrease in debt	<u>(183)</u>	<u>(235)</u>
Changes in net debt resulting from cashflows	-	-
Net debt at 1 June	<u>250</u>	<u>250</u>
Net debt at 31 May	<u>250</u>	<u>250</u>

#### 18. RELATED PARTY INFORMATION

During the course of the year Critchleys LLP supplied services to Critchleys Financial Planning LLP and Critchleys HR & Payroll LLP amounting to £ 411,164 (2010 £ 386,993)