

DEBENHAMS OTTAWAY LLP

MEMBERS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 APRIL 2013

Limited Liability Partnership Registration No OC373542 (England and Wales)

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COMPANIES HOUSE

DEBENHAMS OTTAWAY LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members

L A Attrup
B A Brennan
K E Carroll
J D Foy
S C Glenholme
D D Keegan
H J Kent
C E Sharp
N A G Turner
H Young
C J Debenham
R L Boulton

Limited liability partnership number

OC373542

Registered office

Ivy House
107 St Peter's Street
St Albans
Hertfordshire
AL1 3EW

Auditors

Kingston Smith LLP
105 St Peter's Street
St Albans
Hertfordshire
AL1 3EJ

DEBENHAMS OTTAWAY LLP

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DEBENHAMS OTTAWAY LLP

MEMBERS' REPORT

FOR THE PERIOD ENDED 30 APRIL 2013

The members present their report and financial statements for the year ended 30 April 2013

The LLP's members are, on a day to day basis, known as Partners

Debenhams Ottawa LLP was incorporated on 21 March 2012. On 1 May 2013 the business of Debenhams Ottawa, a general partnership with unlimited liability was transferred to the LLP

The prior year comparatives included in the financial statements are therefore the results of the unlimited partnership. Incorporation of the business has not however resulted in any material changes of accounting policy

Principal activities

The principal activity of the LLP was of the provision of legal services

Designated Members

The following designated members have held office since 1 May 2013

L A Attrup	C E Sharp
B A Brennan	N A G Turner
K E Carroll	H Young
J D Foy	C J Debenham (resigned 31 March 2013)
S C Glenholme	R L Boulton
D D Keegan	
H J Kent	

Policy on members' drawings

Members are permitted to make drawings in anticipation of profits that will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP

New members are required to subscribe a minimum level of capital. On retirement, capital is repaid to members over a period of time in accordance with the member's agreement

Statement of members' responsibilities

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

Legislation applicable to limited liability partnerships 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). 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 profit and loss of the LLP for that period. 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,
- 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 modified by the Limited Liability Partnerships Regulations 2008. The members 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

DEBENHAMS OTTAWAY LLP
MEMBERS' REPORT (continued)
FOR THE PERIOD ENDED 30 APRIL 2013

In so far as the members are aware

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

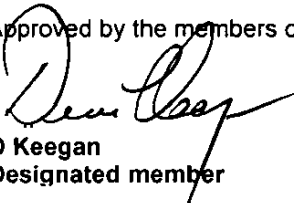
Auditor

Kingston Smith LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008


Registered office
105 St Peter's Street
St Albans
Hertfordshire
AL1 3EJ

Signed on behalf of the members

Approved by the members on



D Keegan
Designated member



L Attrup
Designated member

DEBENHAMS OTTAWAY LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEBENHAMS OTTAWAY LLP FOR THE PERIOD ENDED 30 APRIL 2013

We have audited the financial statements of Debenhams Ottaway LLP for the period ended 30 April 2013, set out on pages 3 to 12. 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 in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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 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' Report, 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 LLP's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' 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 LLP's affairs as at 30 April 2013 and of its profits for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

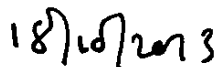
MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion

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



Nigel Birch (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP
Chartered Accountants
Statutory Auditor



105 St Peter's Street
St Albans
Hertfordshire AL1 3EJ

DEBENHAMS OTTAWAY LLP
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2013

		2013	Proforma
	Notes	£	2012
			£
Turnover		6,858,813	6,661,761
Administrative expenses		(5,396,292)	(4,990,077)
Operating profit	2	<u>1,462,521</u>	<u>1,671,684</u>
Interest receivable and similar income	4	240,814	237,864
Interest payable and similar charges	4	<u>(63,013)</u>	<u>(154,539)</u>
Profit on ordinary activities before members' remuneration and profit shares		1,640,322	1,755,009
Members' remuneration charged as an expense		<u>(1,640,322)</u>	<u>(1,755,009)</u>
Profit for the financial year available for discretionary division among members		<u><u>-</u></u>	<u><u>-</u></u>

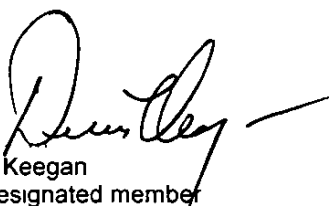
The profit and loss account has been prepared on the basis that all operations are continuing operations

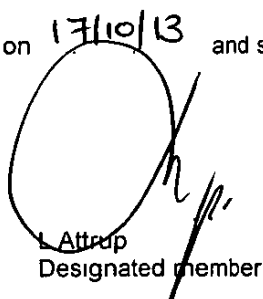
There are no recognised gains and losses other than those passing through the profit and loss account

DEBENHAMS OTTAWAY LLP
BALANCE SHEET
AS AT 30 APRIL 2013

		2013		Proforma 2012	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		218,242		237,543
Current assets					
Work in progress	7	536,823		243,663	
Debtors	8	2,723,791		2,890,426	
Cash at bank and in hand		580,893		516,914	
		<u>3,841,507</u>		<u>3,651,003</u>	
Creditors amounts falling due within one year	9	(1,460,329)		(1,196,936)	
Net current assets			<u>2,381,178</u>		<u>2,454,067</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS	10		<u>2,599,420</u>		<u>2,691,610</u>
REPRESENTED BY:					
Loans and other debts due to members					
Other amounts due to members	10		1,169,420		1,191,610
Members' other interests					
Members' capital classified as a liability	10		<u>1,430,000</u>		<u>1,500,000</u>
			<u>2,599,420</u>		<u>2,691,610</u>

The financial statements were approved and authorised for issue on 17/10/13 and signed on their behalf by


D Keegan
Designated member


L Attrup
Designated member

Limited Liability Partnership Registration No OC373542

DEBENHAMS OTTAWAY LLP
CASH FLOW STATEMENT
AS AT 30 APRIL 2013

	Notes	2013 £	£	Proforma 2012 £	£
Cash flow from operating activities	13		1,392,684		1,604,896
Returns on investments and servicing of finance					
Interest received		240,814		237,864	
Interest paid		(63,013)		(154,539)	
Net cash inflow for returns on investments and servicing of finance			177,801		83,325
Capital expenditure and financial investment					
Payments made to acquire tangible assets		(41,518)		(108,076)	
Net cash outflow for capital expenditure			(41,518)		(108,076)
Transactions with members and former members					
Payments to and on behalf of members		(1,554,303)		(1,839,353)	
Post retirement payments to former members		(108,209)		(108,409)	
Net cash outflow to members and former members			(1,662,512)		(1,947,762)
Net cash inflow / (outflow) before management of liquid resources and financing			(133,545)		(367,617)
Financing					
Capital introduced		80,000		-	
Net cash (outflow) from financing			80,000		-
			(53,545)		(367,617)

DEBENHAMS OTTAWAY LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2013

1 Accounting policies

1.1 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" ("the SORP")

On 1 May 2012 the business of Debenhams Ottawa, a general partnership with unlimited liability was transferred to Debenhams Ottawa LLP

The transfer of business has been accounted for in accordance with the principles of merger accounting since as at 1 May 2012 the members of Debenhams Ottawa LLP were the same as the former partners of the unlimited partnership and their rights, relative to each other, were unchanged. Therefore the members had a continuing interest in the business, both before and after its transfer to the LLP. Consequently the financial statements have been prepared as if Debenhams Ottawa LLP had been in existence both for the current and previous year.

Under the principle of merger accounting, the assets and liabilities of the former unlimited partnership have been brought in at their book values under the accounting policies of Debenhams Ottawa LLP. The balance sheet of the former unlimited partnership as at 30 April 2012 together with the profit and loss account, cashflow statement and notes for the year then ended are presented as proforma comparatives.

1.2 Revenue recognition

Fees receivable are recognised in the profit and loss account when a right to consideration has been obtained in exchange for performance of contractual obligations. Income is recorded at the fair value of the right to consideration, including principal time, after deducting allowances for discounts, credit risk, and any other uncertainties relating to a client's willingness to pay.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Over the period of the lease
Office equipment and furniture	15% reducing balance
Computer equipment	33 33% reducing balance

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Work in progress

Work in progress in relation to contingent fee arrangements, where the contingent condition has not been met at the balance sheet date is valued at the lower of cost and net realisable value. Cost is arrived at on the basis of direct chargeable salary costs plus attributable overheads based on normal levels of activity.

1.6 Taxation

The taxation payable on the profits is the personal liability of the members. Consequently no reserve for taxation is made in these financial statements and the profits are shown within 'Loans and other debts due to members' without any deduction of tax.

DEBENHAMS OTTAWAY LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 APRIL 2013

1.7 Retirement benefits

The LLP operates a defined contribution pension scheme for its employees. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in creditors in the financial statements.

2 Operating profit

	2013	Proforma 2012
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	32,417	55,777
Auditors' remuneration	14,000	-
Operating lease costs - plant and equipment	22,283	22,650
- Land & buildings	224,267	207,478

3 Turnover

The LLP's turnover is from the provision of legal services. All turnover comes from UK-based offices.

4 Interest payable and interest receivable

	2013	Proforma 2012
	£	£
Interest receivable		
Bank interest	240,814	237,864
	<u> </u>	<u> </u>
Interest payable		
Interest paid to clients	63,013	154,539
	<u> </u>	<u> </u>

5 Employee information

	2013	Proforma 2012
	£	£
Wages and salaries	2,349,153	2,270,058
Social security costs	993,372	1,026,523
Other pension costs	105,759	103,072
	<u> </u>	<u> </u>
	<u>3,448,284</u>	<u>3,399,653</u>

The average number of persons (excluding members) employed by the LLP were 47 professional staff (2012: 43) and 46 administrative staff (2012: 44).

DEBENHAMS OTTAWAY LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2013

6	Tangible fixed assets			
		Leasehold Improvements	Office Equipment	Total
	Cost			£
	At 1 May 2012	236,085	434,038	670,123
	Additions	-	41,518	41,518
	At 30 April 2013	236,085	475,556	711,641
	Depreciation			
	At 1 May 2012	196,842	235,737	432,579
	Charge for the year	7,407	53,413	60,820
	At 30 April 2013	204,249	289,150	493,399
	Net book value			
	At 30 April 2013	31,836	186,406	218,242
	At 30 April 2012	39,243	198,301	237,544
7	Work in Progress		2013	Proforma 2012
			£	£
	Contingent work in progress		536,823	243,663
8	Debtors		2013	Proforma 2012
			£	£
	Trade debtors		982,105	979,992
	Amounts recoverable on contracts		1,510,432	1,697,269
	Prepayments		231,254	213,165
			2,723,791	2,890,426
9	Creditors: amounts falling due within one year		2013	Proforma 2012
			£	£
	Trade creditors		84,849	66,847
	Bank loans and overdrafts		201,504	83,980
	Taxation and social security		359,362	368,760
	Other creditors		275,390	191,467
	Amounts due to retired partners		539,224	485,882
			1,460,329	1,196,936

DEBENHAMS OTTAWAY LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2013

10 Loans and other debts due to members

	Members' Capital Accounts	Other amounts due to members	Total
	£	£	£
Members' interests at 1 May 2012	1,500,000	1,191,610	2,691,610
Members' remuneration charged as an expense	-	1,640,322	1,640,322
Members' interests after profit for the year	1,500,000	2,831,932	4,331,932
Capital contributions	80,000	-	80,000
Drawings	-	(1,554,303)	(1,554,303)
Reclassification	(150,000)	(108,209)	(258,209)
Members' interests at 30 April 2013	1,430,000	1,169,420	2,599,420

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors

11 Financial commitments

At 30 April 2013 the limited liability partnership was committed to making the following payments under non-cancellable operating leases in the year 30 April 2014

	2013	Proforma 2012
	£	£
Land and buildings operating leases which expire		
Less than one year	-	187,741
Between one and two years	-	-
Between two and five years	23,250	23,250
After five years	187,500	-
	<hr/>	<hr/>
Other operating leases which expire		
Between two and five years	22,916	22,126
	<hr/>	<hr/>

DEBENHAMS OTTAWAY LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2013

12 Information in relation to members	2013	Proforma
	Number	2012 Number
The average number of members during the year was	11	12
	<hr/>	<hr/>
	2013	Proforma
	£	2012 £
Highest paid member's remuneration	157,088	148,311
	<hr/>	<hr/>
	2013	Proforma
	£	2012 £
The average members' remuneration during the year was	149,120	146,250
	<hr/>	<hr/>
13 Reconciliation of operating profit to net cash inflow from operating activities		
	2013	Proforma
	£	2012 £
Operating profit	1,462,521	1,671,684
Depreciation of tangible assets	60,820	90,074
(Increase) in work in progress	(293,160)	(47,144)
Decrease in debtors	166,635	15,644
Decrease in creditors	(4,132)	(125,362)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,392,684	1,604,896
	<hr/>	<hr/>

DEBENHAMS OTTAWAY LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

14 Analysis of net debt	1 May 2012	Cash flow	Other non- cash changes	30 April 2013
	£	£	£	£
Net cash				
Cash at bank and in hand	516,914	63,979	-	580,893
Bank overdrafts and loans	(83,980)	(117,524)	-	(201,504)
Net funds	432,934	(53,545)	-	379,389

15 Reconciliation of net cash flow to movement in net debt	2013	2012
	£	£
Movement in net funds for the year	(53,545)	(367,617)
Opening net funds	432,934	800,551
Closing net funds	379,389	432,934