

St. Philip's Chambers Limited

Report and Financial Statements

Year Ended

31 December 2007

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BDO

BDO Stoy Hayward
Chartered Accountants

St. Philip's Chambers Limited

Annual report and financial statements for the year ended 31 December 2007

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Directors

W E Davis
L D P Ashworth
M P Weaver
S R J Clegg
A Wyvill
E McGrath
J Burbidge
S C Baker
A A S Khangure
J A Nosworthy
E Beever
N Candlin
P Parker QC
T Rochford
S J Ward

Secretary and registered office

M P Weaver, 55 Temple Row, Birmingham, B2 5LS

Company number

3647591

Auditors

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

St. Philip's Chambers Limited

Report of the directors for the year ended 31 December 2007

The directors present their report together with the audited financial statements for the year ended 31 December 2007

Results

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

Principal activities

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

Charitable and political contributions

During the year the company made charitable contributions of £700. There were no political contributions

Directors

The directors of the company during the year were.

W E Davis	
L D P Ashworth	
M P Weaver	
S R J Clegg	
A Wyvill	
L Findlay	(resigned 29 October 2007)
A D Smith	(resigned 19 May 2007)
M S Najib	(resigned 19 May 2007)
M Inman	(resigned 19 May 2007)
A Maguire	(resigned 19 May 2007)
E McGrath	
J Burbidge	
S C Baker	
A A S Khangure	
J A Nosworthy	
J R Fox	(resigned 31 December 2007)
E Beaver	(appointed 29 October 2007)
N Candlin	(appointed 19 May 2007)
P Parker QC	(appointed 19 May 2007)
T Rochford	(appointed 19 May 2007)
S J Ward	(appointed 19 May 2007)

Directors' responsibilities

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

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

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

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

Auditors

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

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

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

By order of the board



M P Weaver

Secretary

Date 7 April 2008

To the shareholders of St. Philip's Chambers Limited

We have audited the financial statements of St Philip's Chambers Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

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

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Birmingham

Date: 14 April 2008

St. Philip's Chambers Limited

Profit and loss account for the year ended 31 December 2007

	Note	2007 £	2006 £
Turnover	2	3,371,362	3,081,204
Cost of sales		55,988	34,046
Gross profit		3,315,374	3,047,158
Administrative expenses		3,337,882	2,908,337
Operating (loss)/profit	3	(22,508)	138,821
Other interest receivable and similar income		733	6
Interest payable and similar charges	5	(212)	-
(Loss)/profit on ordinary activities before taxation		(21,987)	138,827
Taxation on (loss)/profit on ordinary activities	6	(20,994)	(39,559)
(Loss)/profit on ordinary activities after taxation		(42,981)	99,268
Retained profit/(accumulated loss) brought forward		82,100	(17,168)
Retained profit carried forward		39,119	82,100

All amounts relate to continuing activities

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

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

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

St. Philip's Chambers Limited

Balance sheet at 31 December 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	7		625,895		453,733
Current assets					
Debtors	8	423,232		376,323	
Cash at bank and in hand		79,896		103,552	
		<u>503,128</u>		<u>479,875</u>	
Creditors: amounts falling due within one year	9	592,904		580,837	
		<u>592,904</u>		<u>580,837</u>	
Net current liabilities			(89,776)		(100,962)
			<u>(89,776)</u>		<u>(100,962)</u>
Total assets less current liabilities			536,119		352,771
			<u>536,119</u>		<u>352,771</u>
Creditors: amounts falling due after more than one year	10	406,000		195,671	
		<u>406,000</u>		<u>195,671</u>	
Provisions for liabilities	11	41,000		25,000	
		<u>41,000</u>		<u>25,000</u>	
			447,000		220,671
			<u>447,000</u>		<u>220,671</u>
			89,119		132,100
			<u>89,119</u>		<u>132,100</u>
Capital and reserves					
Called up share capital	12		50,000		50,000
Profit and loss account			39,119		82,100
			<u>89,119</u>		<u>132,100</u>
Shareholders' funds			89,119		132,100
			<u>89,119</u>		<u>132,100</u>

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

The financial statements were approved by the board of directors and authorised for issue on 7 April 2008


W E Davis
Director

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

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Turnover

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

Depreciation

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

Library	-	no depreciation
Office Equipment etc	-	10% - 33.3%
Improvement to rented property	-	20%

Deferred taxation

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

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

Deferred tax balances are not discounted

Leased assets

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

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

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

Pension costs

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

St. Philip's Chambers Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (*Continued*)

2 Turnover

Turnover arises solely within the United Kingdom

3 Operating (loss)/profit

	2007 £	2006 £
This is arrived at after charging		
Depreciation of tangible fixed assets	153,093	53,209
Hire of plant and machinery - operating leases	31,865	40,107
Hire of other assets - operating leases	473,664	356,787
Audit services	6,100	5,750
	<u> </u>	<u> </u>

4 Directors' remuneration

	2007 £	2006 £
Emoluments and pension contributions	148,866	100,833
	<u> </u>	<u> </u>

There were Nil directors in the company's defined contribution pension scheme during the year (2006 - Nil)

5 Interest payable and similar charges

	2007 £	2006 £
Bank loans and overdrafts	212	-
	<u> </u>	<u> </u>

6 Taxation on (loss)/profit on ordinary activities	2007 £	2007 £	2006 £	2006 £
<i>UK Corporation tax</i>				
Current tax on profits of the year	19,100		27,000	
Adjustment in respect of previous periods	(14,106)		(441)	
	<u> </u>		<u> </u>	
Total current tax		4,994		26,559
<i>Deferred tax</i>				
Origination and reversal of timing differences		16,000		13,000
		<u> </u>		<u> </u>
Taxation on (loss)/profit on ordinary activities		<u>20,994</u>		<u>39,559</u>

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

	2007 £	2006 £
(Loss)/profit on ordinary activities before tax	(21,987)	138,827
	<u> </u>	<u> </u>
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 20 (2006 - 19%)	(4,397)	26,377
Effect of		
Expenses not deductible for tax purposes	24,102	9,644
Capital allowances for period in excess of depreciation	(14,597)	(9,028)
Other short term timing differences	284	111
Adjustment to tax charge in respect of previous periods	-	(441)
Marginal relief	-	(104)
Change in tax rate	(398)	-
	<u> </u>	<u> </u>
Current tax charge for period	<u>4,994</u>	<u>26,559</u>

7 Tangible fixed assets

	Improvement to rented property £	Plant and machinery etc £	Total £
<i>Cost</i>			
At 1 January 2007	175,438	700,997	876,435
Additions	289,476	35,779	325,255
	<hr/>	<hr/>	<hr/>
At 31 December 2007	464,914	736,776	1,201,690
<i>Depreciation</i>			
At 1 January 2007	4,873	417,829	422,702
Provided for the year	83,334	69,759	153,093
	<hr/>	<hr/>	<hr/>
At 31 December 2007	88,207	487,588	575,795
<i>Net book value</i>			
At 31 December 2007	376,707	249,188	625,895
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2006	170,565	283,168	453,733
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8 Debtors

	2007 £	2006 £
Trade debtors	109,855	79,449
Other debtors	313,377	296,874
	<hr/>	<hr/>
	423,232	376,323
	<hr/> <hr/>	<hr/> <hr/>

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

St. Philip's Chambers Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (*Continued*)

9 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	212,466	333,562
Amounts owed to group undertakings	144,202	62,648
Corporation tax	19,100	27,000
Other taxation and social security	151,362	106,429
Other creditors	65,774	51,198
	<u>592,904</u>	<u>580,837</u>

The principal creditor is the holding company, St Philip's Holdings Limited, which assists St Philip's Chambers Limited in repaying its creditors as they fall due

10 Creditors: amounts falling due after more than one year

	2007 £	2006 £
Amounts owed to group undertakings	<u>406,000</u>	<u>195,671</u>

11 Provisions for liabilities

		Deferred taxation £
At 1 January 2007		25,000
Charged to profit and loss account		16,000
		<u>41,000</u>
At 31 December 2007		<u>41,000</u>
<i>Deferred taxation</i>		
	2007 £	2006 £
Accelerated capital allowances	<u>41,000</u>	<u>25,000</u>

St. Philip's Chambers Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)

12 Share capital

	2007 £	Authorised 2006 £	Allotted, called up and fully paid 2007 £	2006 £
Ordinary shares shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

13 Commitments under operating leases

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

	2007 Other £	2006 Other £
Operating leases which expire.		
Within one year	680	-
In two to five years	28,320	31,791
	<u>29,000</u>	<u>31,791</u>

14 Related party disclosures

Loans and transactions concerning directors and officers of the company

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

During the year, the company paid £452,088 (2006 £334,970) in rent to its parent undertaking Included at the year end is a net amount due to St Philip's Holdings Limited of £550,202 (2006 £258,319)

During the year, the company charged St Philip's Holdings Limited a management charge of £59,000 (2006 £40,000)

15 Capital commitments

	2007 £	2006 £
Contracted but not provided for	-	197,118
	<u>-</u>	<u>197,118</u>

St. Philip's Chambers Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)

16 Ultimate Parent Company

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

17 Contingent liabilities

The company has given a guarantee to its bankers in respect of advances to its parent company, St Philip's Holdings Limited, which at 31 December 2007 amounted to £2,160,700 (2006 £2,000,000)
The directors are of the opinion that no liability is likely to arise in the foreseeable future