

FINERS STEPHENS INNOCENT LLP

Financial Statements

Year Ended

30 April 2008

WEDNESDAY



ALA7W6IW

A14

14/01/2009

154

COMPANIES HOUSE

FINERS STEPHENS INNOCENT LLP

Annual report and financial statements for the year ended 30 April 2008

Contents

Page:

1	Report to the members
4	Report of the independent auditors
6	Profit and loss account
7	Balance sheet
8	Cash flow statement
9	Notes forming part of the financial statements

Registered office

179 Great Portland Street, London W1W 5LS

Registered number

OC308685

Auditors

BDO Stoy Hayward LLP
8 Baker Street
London W1U 3LL

FINERS STEPHENS INNOCENT LLP

Members' Report

The Members present their report together with the audited financial statements of Finers Stephens Innocent LLP for the year ended 30 April 2008.

Principal activities and significant changes

The principal activity of Finers Stephens Innocent LLP (the 'LLP') is to provide legal services to clients.

Results

The profit and loss account for the financial year is set out on page 6.

Designated members

The following individuals were Designated Members, (as defined in the Limited Liability Partnerships Act 2000) during the year:

Anthony Darryl Philip Barling

Robert David Craig

Howard Jonathan Goulden

Julian Paul Hindmarsh

Stephen William Lewis

Daniel Benjamin Marks

Leon Marks

Paul Morris Millett

Melvyn Dennis Orton

Ashley James Reeback

Philip Derek Rubens

Martin Smith

Mark Howard Stephens

FINERS STEPHENS INNOCENT LLP

Report to the members for the year ended 30 April 2008 (continued)

Policy for drawings, subscription and repayment of members' capital

Drawings

The policy for members' drawings is to distribute the majority of allocated profit during the financial year, taking into account the need to maintain sufficient funds to finance the working capital and other needs of the business. The Designated Members agree the level of monthly drawings and review this annually.

Capital

The capital requirements of the business are determined from time to time by the Designated Members. Each member is required to subscribe a proportion of this capital. The amount of capital subscribed by each Designated Member is linked to the profit share allocated to that member. Non-Designated Members are required to contribute a fixed amount of capital. Interest is paid on capital. Designated Members' capital is repaid in equal instalments in the two years following a partners' retirement from the practice.

Members' profit shares

Members are remunerated solely out of the profits of the partnership and are personally responsible for funding pensions and other benefits.

The Designated Members set their profit sharing ratios in advance and the allocation is reviewed every two years. Profits are allocated in full and there is transparency amongst Designated Members of the total income allocated to each individual.

Disclosure of information to auditors

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

Auditors

BDO Stoy Hayward LLP were re-appointed as the auditors to the LLP during the year.

FINERS STEPHENS INNOCENT LLP

Report to the members for the year ended 30 April 2008 (continued)

Statement of members' responsibilities in respect of the financial statements

The Companies Act 1985, as applied to limited liability partnerships, requires the members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of Finers Stephens Innocent LLP (the 'LLP') and its profit or loss for that period.

In preparing these financial statements the members are required to:

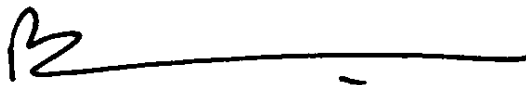
- select suitable policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the LLP will continue in business.

The members are also responsible for keeping proper accounting records that 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 1985, as applied 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.

These responsibilities are fulfilled by the Management Committee on behalf of the members. The Management Committee confirms it has complied with the above requirements in preparing the financial statements.

The members are responsible for the maintenance and integrity of the LLP's website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

On behalf of the Management Committee



Managing Partner



Partner

Dated: 19/12/08

FINERS STEPHENS INNOCENT LLP

Independent auditor's report to the members of Finers Stephens Innocent LLP

We have audited the financial statements of Finers Stephens Innocent LLP for the year ended 30 April 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of members and auditors

As described in the statement of members' responsibilities, the members of the limited liability partnership are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Limited Liability Partnerships Regulations 2001 and whether the information given in the members' report is consistent with those financial statements. We also report to you if, in our opinion, the limited liability partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit

We read the members' 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 Limited Liability Partnerships Regulations 2001 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 Limited Liability Partnerships Regulations 2001 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 judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which 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.

FINERS STEPHENS INNOCENT LLP (continued)

Independent auditor's report to the members of Finers Stephens Innocent LLP

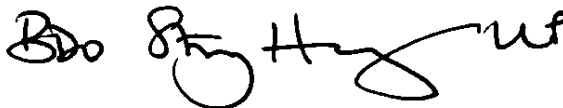
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the limited liability partnership's affairs as at 30 April 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Limited Liability Partnerships Regulations 2001; and
- the information given in the members' report is consistent with the financial statements.

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
London*

A handwritten signature in black ink, appearing to read 'BDO Stoy Hayward', is written over the printed name of the firm.

Date 22/12/08

FINERS STEPHENS INNOCENT LLP**Profit and loss account for the year ended 30 April 2008**

	Note	2008 £'000	2007 £'000
Turnover	1	22,040	20,104
Operating costs			
Staff costs	2	(6,676)	(6,180)
Depreciation and other amounts written off tangible fixed assets		(620)	(369)
Other operating costs		(5,442)	(5,191)
Total operating profit	3	9,302	8,364
Interest payable	4	(485)	(324)
Interest receivable	5	772	522
Profit for the financial year before members' remuneration and profit shares	6, 15	9,589	8,562
Members' remuneration charged as an expense		(9,589)	(8,562)
Profit for the financial year available for discretionary division among members		-	-


All recognised gains and losses in the current and prior year are included in the profit and loss account. All amounts relate to continuing activities.

FINERS STEPHENS INNOCENT LLP

Balance sheet at 30 April 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Fixed assets					
Tangible assets	8		1,311		919
Current assets					
Debtors	10	9,952		9,533	
Cash at bank and in hand		2,222		1,367	
		<u>12,174</u>		<u>10,900</u>	
Creditors: amounts falling due within one year	11	<u>2,744</u>		<u>2,417</u>	
Net current assets			<u>9,430</u>		<u>8,483</u>
Total assets less current liabilities			<u>10,741</u>		<u>9,402</u>
Creditors: amounts falling due after more than one year	12		186		235
Provision for liabilities and charges	13		482		737
Net assets attributable to members			<u>10,073</u>		<u>8,430</u>
Represented by:					
Loans and other debts due to members					
Members' capital classified as a liability under FRS 25	15		1,722		1,720
Other amounts			8,351		6,710
Total members' interests	15		<u>10,073</u>		<u>8,430</u>

The financial statements on pages 6 to 19 were approved and authorised for issue on 19/12/2008 and signed on behalf of the members of FINERS STEPHENS INNOCENT LLP by:


.....
Managing Partner


.....
Partner

FINERS STEPHENS INNOCENT LLP**Consolidated cash flow statement for the year ended 30 April 2008**

	Note	2008 £'000	2007 £'000
Net cash inflow from operating activities	16	9,557	7,770
Returns on investments and servicing of finance	17	287	198
Capital expenditure and financial investments	17	(910)	(299)
Transactions with members and former members	17	(7,948)	(7,775)
Net cash (outflow)/inflow before financing		986	(106)
Financing	17	(131)	(196)
(Decrease)/increase in cash in the year		855	(302)
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the year		855	(302)
Repayment of bank loans		429	684
Repayment of finance leases		92	76
Change in net funds resulting from cash flows		1,376	458
New finance leases		(82)	(107)
New bank loans		(390)	(564)
Change in net funds in the year		904	(213)
Net funds at 1 May		874	1,087
Net funds at 30 April	18	1,778	874

FINERS STEPHENS INNOCENT LLP

Notes forming part of the financial statements for the year ended 30 April 2008

1 Accounting policies

The principal accounting policies used in the preparation of the financial statements for the year ended 30 April 2008 are as follows:

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting standards and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships 2006'.

Turnover

Turnover represents amounts chargeable to clients for professional services provided during the year excluding expenses and disbursements on client assignments and VAT.

Turnover which has been recognised but not invoiced by the balance sheet date is included in debtors as accrued income.

Fixed assets

The cost of tangible fixed assets is written off by equal annual instalments over their expected useful lives. The depreciation rates applied to tangible fixed assets are as follows:

Leasehold improvements	The period of the lease
Computer equipment	Three years
Fixtures, fittings and equipment	Three to eight years
Motor vehicles	On a straight-line base over four years/period of financing to a residual value.

Leases

Any lease which entails taking substantially all the risks and rewards of ownership of an asset is treated as a 'finance lease', as detailed in SSAP 21 'Accounting for Leases and Hire Purchase Contracts'. The asset is recorded as a tangible fixed asset at its fair value and depreciated over its estimated useful life, or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rental payments are apportioned between the interest element, which is charged to the profit and loss account, and the capital element, which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rentals are charged to the profit and loss account on a straight-line basis over the life of the lease.

Taxation

The taxation payable on the LLP's profits is a personal liability of the members.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

FINERS STEPHENS INNOCENT LLP

Notes forming part of the financial statements for the year ended 30 April 2008 (continued)

Professional insurance

Provision is made on a case-by-case basis in respect of the cost of defending claims and, where appropriate, the estimated cost of settling claims where such costs are not covered by insurance. Outstanding claims are reviewed each year and adjustments to provisions are made as appropriate in the current year.

In common with comparable businesses, the LLP is involved in a number of disputes in the ordinary course of business, which may give rise to claims. The LLP carries professional indemnity insurance and no separate disclosure is made of the cost of claims covered by insurance as to do so could seriously prejudice the position of the LLP.

Dilapidations

Provision is made for estimated dilapidations over the final ten years of a lease. The costs related to the repair and maintenance of equipment and properties that are used by the LLP and for which the LLP has responsibility to maintain or may be liable for dilapidation, are written off as they arise.

Allocation of profits and drawings

At the beginning of every second financial year the Designated Members review and agree the level of their points and the specific minimum profit allocations for Designated Members, in advance, in respect of the LLP's profits and the Designated Members, on an annual basis, set their monthly drawings after considering the LLP's working capital needs. Non-Designated Members minimum profit shares are reviewed annually.

Pensions

Staff pension costs relating to the LLP's defined contribution schemes are charged when they become payable. There are no defined benefit pension arrangements in place.

Members are required to make their own provision for pensions.

FINERS STEPHENS INNOCENT LLP

Notes forming part of the financial statements for the year ended 30 April 2008 (continued)

2 Employees

	2008 £'000	2007 £'000
Staff costs (excluding members) consist of:		
Salaries and benefits	5,961	5,525
Social security costs	613	558
Pension costs	102	97
	<hr/>	<hr/>
Total staff costs	6,676	6,180
	<hr/>	<hr/>
The average number of employees (excluding members) was:		
Legal	52	46
Support	78	81
	<hr/>	<hr/>
	130	127
	<hr/>	<hr/>

3 Operating profit

Operating profit is stated after charging:

	2008 £'000	2007 £'000
Depreciation of tangible fixed assets	620	369
Operating lease rentals - land and buildings	1,156	908
Operating lease rentals - other	2	2
Auditors' remuneration - audit fees	33	28
- other services	24	21
	<hr/>	<hr/>

4 Interest Payable and Other Similar Charges

	2008 £'000	2007 £'000
On bank loans and overdrafts	22	18
Other interest payable and similar charges	445	284
As finance charges on leased assets	18	22
	<hr/>	<hr/>
	485	324
	<hr/>	<hr/>

FINERS STEPHENS INNOCENT LLP**Notes forming part of the financial statements for the year ended 30 April 2008 (continued)**

	2008 £'000	2007 £'000
5 Interest receivable and similar income		
Other	772	522

6 Taxation

The financial statements do not incorporate any charge or liability for taxation on the results of the LLP, as the relevant income tax is the responsibility of the individual members.

7 Members' profit share

	2008 Number	2007 Number
Monthly average number of all members	33	34
	£'000	£'000
Average profit per member	291	252

The profit share of the highest paid member was £683,000 (2006 £609,000).

FINERS STEPHENS INNOCENT LLP

Notes forming part of the financial statements for the year ended 30 April 2008 (continued)

8 Tangible assets

	Leasehold property improvements £'000	Fixtures fittings and equipment £'000	Motor vehicles £'000	Total £'000
<i>Cost</i>				
At 1 May 2006	711	806	464	1,981
Additions	447	498	82	1,027
Disposals	(711)	(301)	(36)	(1,048)
At 30 April 2007	447	1,003	510	1,960
<i>Depreciation</i>				
At 1 May 2006	537	386	139	1,062
Charge for the year	197	346	77	620
Disposals	(710)	(301)	(22)	(1,033)
At 30 April 2007	24	431	194	649
<i>Net book value</i>				
At 30 April 2008	423	572	316	1,311
At 30 April 2007	174	420	325	919

Included in the total net book value of fixed assets is £242,000 (2006 - £182,000) in respect of assets held under finance leases. The depreciation charge for the year on such assets was £34,000 (2006 - £32,000).

FINERS STEPHENS INNOCENT LLP**Notes forming part of the financial statements for the year ended 30 April 2008 (continued)****9 Fixed asset investments****Subsidiary undertakings**

The principal undertakings in which the LLP's interest at the year end is 20% or more are as follows:

Subsidiary undertakings	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Lundy Properties Ltd	England	100%	Nominee
Lundy Financial Services Ltd	England	100%	Not trading

For all undertakings listed above, the country of operation is the same as the country of incorporation or registration.

Since none of the above companies traded on its own account during this or the previous year no consolidated accounts have been prepared.

10 Debtors

	2008 £'000	2007 £'000
Trade debtors	6,839	6,653
Other debtors	178	229
Prepayments and accrued income	2,935	2,651
	<hr/>	<hr/>
	9,952	9,533
	<hr/>	<hr/>

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

FINERS STEPHENS INNOCENT LLP**Notes forming part of the financial statements for the year ended 30 April 2008 (continued)****11 Creditors: amounts falling due within one year**

	2008 £'000	2007 £'000
Bank loans	164	203
Trade creditors	703	537
Obligations under finance leases	93	55
Taxation and social security	818	897
Other creditors	21	28
Accruals and deferred income	943	628
Amounts due to former members	2	69
	<u>2,744</u>	<u>2,417</u>

Obligations under finance leases are secured against the assets to which they relate.

The bank loans are unsecured.

The amounts due to former members and partners comprise the balance remaining on their capital/current accounts repayable in accordance with the members' agreement.

12 Creditors: amounts falling due after more than one year

	2008 £'000	2007 £'000
Bank loans	18	32
Obligations under finance leases	168	203
	<u>186</u>	<u>235</u>

Obligations under finance leases are secured against the assets to which they relate.

FINERS STEPHENS INNOCENT LLP

Notes forming part of the financial statements for the year ended 30 April 2008 (continued)

Maturity of debt:	2008 Loans £'000	2007 Loans £'000	2008 Finance leases £'000	2007 Finance leases £'000
In one year or less, or on demand	164	203	93	55
> 1 year but < 2 years	6	12	84	88
> 2 years but < 5 years	12	20	84	115
	18	32	168	203

13 Provisions for liabilities and charges

	Client Claims £'000	Dilapi- dations £'000	Total £'000
Balance at 1 May 2007	340	397	737
Utilised during the year	(75)	(293)	(368)
Charged to the profit and loss account	-	113	113
Balance at 30 April 2008	265	217	482

Provisions have not been discounted as the effect is not material.

14 Commitments under operating leases

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

	2008 Land and buildings £'000	2007 Land and buildings £'000
Operating leases which expire:		
Within one year	-	-
One to five years	1,156	908
	1,156	908

FINERS STEPHENS INNOCENT LLP

Notes forming part of the financial statements for the year ended 30 April 2008 (continued)

15 Members' interests

	Loans and other debts due to members		
	Members' capital classified as a liability under FRS25 £'000	Other amounts £'000	Total £'000
Members' interests at 1 May 2007	1,720	6,710	8,430
Members remuneration charged as an expense	-	9,589	9,589
Members' interests after profit for the year	1,720	16,299	18,019
Transfer to former members	-	-	-
Introduced by members	2	-	2
Drawings and distributions	-	(7,948)	(7,948)
At 30 April 2008	1,722	8,351	10,073

In the event of an administration of or winding up of the LLP the Members' Capital is subordinated to the debts and liabilities due to its creditors (which shall include, for the avoidance of doubt, the Members, but only in respect of amounts due to the Members not being Members' Capital).

16 Net cash inflow from operating activities

	2008 £'000	2007 £'000
Operating profit	9,302	8,364
Depreciation	620	369
Profit on sale of tangible fixed assets	(12)	(2)
(Increase)/decrease in debtors	(422)	(1,293)
Increase/(decrease) in creditors	324	259
Increase in provisions	(255)	73
Net cash inflow from operating activities	9,557	7,770

FINERS STEPHENS INNOCENT LLP

Notes forming part of the financial statements for the year ended 30 April 2008 (continued)

17 Analysis of cash flow statement headings

	2008 £'000	2007 £'000
<i>Returns on investments and servicing of finance</i>		
Interest paid excluding interest paid to members	(445)	(284)
Interest element of bank loan payments	(22)	(18)
Interest element of finance lease payments	(18)	(22)
Interest received	772	522
	<u>287</u>	<u>198</u>
<i>Capital expenditure</i>		
Purchase of tangible fixed assets	(926)	(324)
Disposal of tangible fixed assets	16	25
	<u>(910)</u>	<u>(299)</u>
<i>Transactions with members</i>		
Payments to members	(7,948)	(7,663)
Amounts introduced by members	2	63
Amounts repaid to former members	-	(175)
	<u>(7,946)</u>	<u>(7,775)</u>
<i>Financing</i>		
New bank loans	390	564
Repayment of bank loans	(429)	(684)
Capital element of finance lease payments	(92)	(76)
	<u>(131)</u>	<u>(196)</u>

FINERS STEPHENS INNOCENT LLP**Notes forming part of the financial statements for the year ended 30 April 2008 (continued)****18 Analysis of changes in net debt**

	2007 £'000	Cash flows £'000	Other changes £'000	2008 £'000
Cash in hand and at bank	1,367	855	-	2,222
Bank overdrafts	-	-	-	-
	<u>1,367</u>	<u>855</u>	<u>-</u>	<u>2,222</u>
Bank loans due within one year	(203)	429	(390)	(164)
Bank loans due in more than one year	(32)	14	-	(18)
Hire purchase and finance leases	(258)	78	(82)	(262)
	<u>(293)</u>	<u>521</u>	<u>(472)</u>	<u>(164)</u>
Total	<u>874</u>	<u>1,376</u>	<u>(472)</u>	<u>1,778</u>