

Limited Liability Partnership Registration No. OC303621 (England and Wales)

REGISTRAR'S  
COPY

PINTO POTTS LLP

MEMBERS' REPORT  
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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## **LIMITED LIABILITY PARTNERSHIP INFORMATION**

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|---------------------------------------------|------------------------------------------------------------------------------|
| <b>Designated members</b>                   | D F Pinto<br>D S I Potts                                                     |
| <b>Limited liability partnership number</b> | OC303621                                                                     |
| <b>Registered office</b>                    | 30 Camp Road<br>Farnborough<br>Hampshire<br>GU14 6EW                         |
| <b>Auditors</b>                             | HW<br>30 Camp Road<br>Farnborough<br>Hampshire<br>GU14 6EW                   |
| <b>Business address</b>                     | Manor Park Chambers<br>304 High Street<br>Aldershot<br>Hampshire<br>GU12 4LT |
| <b>Bankers</b>                              | Lloyds TSB Bank plc<br>19/23 Obelisk Way<br>Camberley<br>Surrey<br>GU15 3SE  |

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## **MEMBERS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2007**

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The members present their report and financial statements for the year ended 31 December 2007.

#### **Principal activities and review of the business**

The principal activity of the limited liability partnership continued to be that of solicitors.

The results for the year and the financial position at the year end were considered satisfactory by the members who expect continued growth in the foreseeable future.

#### **Designated Members**

The following designated members have held office since 1 January 2007:

D F Pinto  
D S I Potts

#### **Policy on members' drawings**

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

#### **Statement of members' responsibilities**

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

Company law (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001) 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 limited liability partnership and of the profit or loss of the limited liability partnership for that 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure to auditor**

So far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditors are unaware. Additionally, the members have taken all the necessary steps that they ought to have taken as members in order to make themselves aware of all relevant audit information and to establish that the limited liability partnership's auditors are aware of that information.

**PINTO POTTS LLP**

**MEMBERS' REPORT (CONTINUED)**

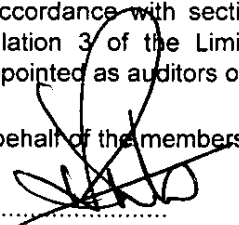
**FOR THE YEAR ENDED 31 DECEMBER 2007**

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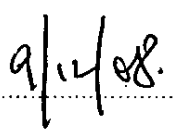
**Auditors**

In accordance with section 385 of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001), a resolution proposing that HW be reappointed as auditors of the limited liability partnership will be put to the Designated Members Meeting.

On behalf of the members

  
.....  
D F Pinto

**Designated Member**

Dated:   
.....

# **PINTO POTTS LLP**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF PINTO POTTS LLP**

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We have audited the financial statements of Pinto Potts LLP for the year ended 31 December 2007 set out on pages 5 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Section 235 of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditors' 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the members and auditors**

The members' 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 Members' 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 are properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

In addition we report to you if, in our opinion, the limited liability partnership has not kept proper accounting records, 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.

#### **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 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.

# **PINTO POTTS LLP**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF PINTO POTTS LLP**

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### **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 31 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

*HW*

HW

**Chartered Accountants**

11 December 2008

30 Camp Road  
Farnborough  
Hampshire  
GU14 6EW

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

|                                                                                                  | Notes | 2007<br>£   | 2006<br>£   |
|--------------------------------------------------------------------------------------------------|-------|-------------|-------------|
| Turnover                                                                                         | 2     | 4,836,685   | 5,034,501   |
| Cost of sales                                                                                    |       | (404,490)   | (300,243)   |
| <b>Gross profit</b>                                                                              |       | 4,432,195   | 4,734,258   |
| Administrative expenses                                                                          |       | (3,957,601) | (4,132,436) |
| <b>Operating profit</b>                                                                          | 3     | 474,594     | 601,822     |
| Other interest receivable and similar income                                                     | 4     | 128,281     | 95,700      |
| Interest payable and similar charges                                                             | 5     | (118,081)   | (157,599)   |
| <b>Profit for the financial year before members' remuneration and profit shares</b>              |       | 484,794     | 539,923     |
| Members' remuneration charged as an expense                                                      | 14    | (149,279)   | (178,690)   |
| <b>Retained profit for the financial year available for discretionary division among members</b> |       | 335,515     | 361,233     |

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.

# PINTO POTTS LLP

## BALANCE SHEET

AS AT 31 DECEMBER 2007

|                                                                | Notes | 2007             |                  | 2006<br>as restated |                  |
|----------------------------------------------------------------|-------|------------------|------------------|---------------------|------------------|
|                                                                |       | £                | £                | £                   | £                |
| <b>Fixed assets</b>                                            |       |                  |                  |                     |                  |
| Intangible assets                                              | 6     |                  | 944,444          |                     | 1,888,889        |
| Tangible assets                                                | 7     |                  | 97,410           |                     | 152,540          |
|                                                                |       |                  | <u>1,041,854</u> |                     | <u>2,041,429</u> |
| <b>Current assets</b>                                          |       |                  |                  |                     |                  |
| Stocks                                                         | 8     | 22,120           |                  | 39,429              |                  |
| Debtors                                                        | 9     | 3,449,189        |                  | 5,804,529           |                  |
| Cash at bank and in hand                                       |       | 1,210,166        |                  | 900,188             |                  |
|                                                                |       | <u>4,681,475</u> |                  | <u>6,744,146</u>    |                  |
| <b>Creditors: amounts falling due within one year</b>          | 10    | (2,214,525)      |                  | (5,571,667)         |                  |
| <b>Net current assets</b>                                      |       |                  | <u>2,466,950</u> |                     | <u>1,172,479</u> |
| <b>Total assets less current liabilities</b>                   |       |                  | <u>3,508,804</u> |                     | <u>3,213,908</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 11    |                  | (1,969,655)      |                     | (836,745)        |
| <b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>                      |       |                  | <u>1,539,149</u> |                     | <u>2,377,163</u> |
| <b>REPRESENTED BY:</b>                                         |       |                  |                  |                     |                  |
| <b>Loans and other debts due to members within one year</b>    |       |                  |                  |                     |                  |
| Other amounts                                                  | 12    |                  | 1,539,149        |                     | 2,377,163        |
|                                                                |       |                  | <u>1,539,149</u> |                     | <u>2,377,163</u> |
| <b>TOTAL MEMBERS' INTERESTS</b>                                |       |                  |                  |                     |                  |
| Loans and other debts due to members                           | 12    |                  | 1,539,149        |                     | 2,377,163        |
|                                                                |       |                  | <u>1,539,149</u> |                     | <u>2,377,163</u> |

Approved by the Members and authorised for issue on 9/12/2008

D F Pinto  
Designated Member

D-S I Potts  
Designated Member

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

|                                                                                      | Notes | £           | 2007<br>£   | £           | 2006<br>£ |
|--------------------------------------------------------------------------------------|-------|-------------|-------------|-------------|-----------|
| <b>Net cash inflow from operating activities</b>                                     |       |             | 1,928,312   |             | 2,036,792 |
| <b>Returns on investments and servicing of finance</b>                               |       |             |             |             |           |
| Interest received                                                                    |       | 128,281     |             | 95,700      |           |
| Interest paid                                                                        |       | (118,081)   |             | (157,599)   |           |
| <b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b> |       |             | 10,200      |             | (61,899)  |
| <b>Capital expenditure</b>                                                           |       |             |             |             |           |
| Payments to acquire tangible assets                                                  |       | -           |             | (28,747)    |           |
| <b>Net cash outflow for capital expenditure</b>                                      |       |             | -           |             | (28,747)  |
| <b>Transactions with members and former members</b>                                  |       |             |             |             |           |
| Payments to members                                                                  |       | (1,322,808) |             | (2,281,539) |           |
| Contributions by members                                                             |       | -           |             | 1,524,644   |           |
|                                                                                      |       |             | (1,322,808) |             | (756,895) |
| <b>Net cash inflow before management of liquid resources and financing</b>           |       |             | 615,704     |             | 1,189,251 |
| <b>Financing</b>                                                                     |       |             |             |             |           |
| New long term bank loan                                                              |       | 1,334,470   |             | -           |           |
| Other new short term loans                                                           |       | 48,956      |             | -           |           |
| Repayment of long term bank loan                                                     |       | (201,560)   |             | (119,459)   |           |
| Repayment of other short term loans                                                  |       | (1,487,592) |             | -           |           |
| <b>Net cash outflow from financing</b>                                               |       |             | (305,726)   |             | (119,459) |
| <b>Increase in cash in the year</b>                                                  |       |             | 309,978     |             | 1,069,792 |

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

| <b>1</b> | <b>Reconciliation of operating profit to net cash inflow from operating activities</b> | <b>2007</b>      | <b>2006</b>      |
|----------|----------------------------------------------------------------------------------------|------------------|------------------|
|          |                                                                                        | <b>£</b>         | <b>£</b>         |
|          | Operating profit                                                                       | 474,594          | 601,822          |
|          | Depreciation of tangible assets                                                        | 55,130           | 101,931          |
|          | Amortisation of intangible assets                                                      | 944,445          | 944,444          |
|          | Decrease/(increase) in stocks                                                          | 17,309           | (9,428)          |
|          | Decrease/(increase) in debtors                                                         | 2,355,340        | (428,071)        |
|          | (Decrease)/Increase in creditors within one year                                       | (1,918,506)      | 826,094          |
|          | <b>Net cash inflow from operating activities</b>                                       | <b>1,928,312</b> | <b>2,036,792</b> |

| <b>2</b> | <b>Analysis of net funds</b>      | <b>1 January 2007</b> | <b>Cash flow</b> | <b>Other non-cash changes</b> | <b>31 December 2007</b> |
|----------|-----------------------------------|-----------------------|------------------|-------------------------------|-------------------------|
|          |                                   | <b>£</b>              | <b>£</b>         | <b>£</b>                      | <b>£</b>                |
|          | Net cash:                         |                       |                  |                               |                         |
|          | Cash at bank and in hand          | 900,188               | 309,978          | -                             | 1,210,166               |
|          | Debt:                             |                       |                  |                               |                         |
|          | Debts falling due within one year | (1,629,781)           | 1,438,636        | -                             | (191,145)               |
|          | Debts falling due after one year  | (836,745)             | (1,132,910)      | -                             | (1,969,655)             |
|          |                                   | (2,466,526)           | 305,726          | -                             | (2,160,800)             |
|          | <b>Net funds</b>                  | <b>(1,566,338)</b>    | <b>615,704</b>   | <b>-</b>                      | <b>(950,634)</b>        |

| <b>3</b> | <b>Reconciliation of net cash flow to movement in net funds</b> | <b>2007</b>      | <b>2006</b>        |
|----------|-----------------------------------------------------------------|------------------|--------------------|
|          |                                                                 | <b>£</b>         | <b>£</b>           |
|          | Decrease in cash in the year                                    | 309,978          | 1,069,792          |
|          | Cash inflow from increase in debt                               | 305,726          | 119,459            |
|          | <b>Movement in net funds in the year</b>                        | <b>615,704</b>   | <b>1,189,251</b>   |
|          | Opening net funds                                               | (1,566,338)      | (2,755,589)        |
|          | <b>Closing net funds</b>                                        | <b>(950,634)</b> | <b>(1,566,338)</b> |

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

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**1 Accounting policies**

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

**1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Limited Liability Partnership Statement of Recommended Practice, which have been applied consistently (except as otherwise stated).

**1.3 Turnover**

Conveyancing and matrimonial turnover is recognised on invoicing and is recognised net of VAT and trade discounts. Personal injury and disease cases are recognised on a contingent basis.

**1.4 Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. The members consider that a more accurate useful life of the goodwill is now 3 years from 1 January 2006 rather than 10 years from when the LLP was incorporated.

**1.5 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:

|                                |                         |
|--------------------------------|-------------------------|
| Computer equipment             | 33.33% reducing balance |
| Plant and machinery            | 25% reducing balance    |
| Fixtures, fittings & equipment | 15% reducing balance    |
| Motor vehicles                 | 25% reducing balance    |

**1.6 Leasing**

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

**1.7 Stock and work in progress**

Work in progress represents matrimonial and conveyancing work and is valued at the lower of cost and net realisable value.

**2 Turnover**

The total turnover of the limited liability partnership for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

|              |                                                                  |                   |                   |
|--------------|------------------------------------------------------------------|-------------------|-------------------|
| <b>3</b>     | <b>Operating profit</b>                                          | <b>2007</b>       | <b>2006</b>       |
|              |                                                                  | <b>£</b>          | <b>£</b>          |
|              | Operating profit is stated after charging:                       |                   |                   |
|              | Amortisation of intangible assets                                | 944,445           | 944,444           |
|              | Depreciation of tangible assets                                  | 55,130            | 101,931           |
|              | Operating lease rentals                                          |                   |                   |
|              | - Plant and machinery                                            | 13,676            | 13,428            |
|              | - Other assets                                                   | 190,000           | 166,919           |
|              | Auditors' remuneration (including expenses and benefits in kind) | 2,000             | 2,000             |
|              |                                                                  | <u>          </u> | <u>          </u> |
| <br><b>4</b> | <br><b>Investment income</b>                                     | <br><b>2007</b>   | <br><b>2006</b>   |
|              |                                                                  | <b>£</b>          | <b>£</b>          |
|              | Bank interest                                                    | 112,753           | 76,526            |
|              | Other interest                                                   | 15,528            | 19,174            |
|              |                                                                  | <u>          </u> | <u>          </u> |
|              |                                                                  | 128,281           | 95,700            |
|              |                                                                  | <u>          </u> | <u>          </u> |
| <br><b>5</b> | <br><b>Interest payable</b>                                      | <br><b>2007</b>   | <br><b>2006</b>   |
|              |                                                                  | <b>£</b>          | <b>£</b>          |
|              | On bank loans and overdrafts                                     | 6,261             | 1,898             |
|              | On other loans wholly repayable within five years                | 111,820           | 155,701           |
|              |                                                                  | <u>          </u> | <u>          </u> |
|              |                                                                  | 118,081           | 157,599           |
|              |                                                                  | <u>          </u> | <u>          </u> |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**6 Intangible fixed assets**

|                                         | <b>Goodwill<br/>£</b> |
|-----------------------------------------|-----------------------|
| <b>Cost</b>                             |                       |
| At 1 January 2007 & at 31 December 2007 | 4,000,000             |
| <b>Amortisation</b>                     |                       |
| At 1 January 2007                       | 2,111,111             |
| Charge for the year                     | 944,445               |
| At 31 December 2007                     | 3,055,556             |
| <b>Net book value</b>                   |                       |
| At 31 December 2007                     | 944,444               |
| At 31 December 2006                     | 1,888,889             |

**7 Tangible fixed assets**

|                       | <b>Computer<br/>equipment<br/>£</b> | <b>Fixtures,<br/>fittings &amp;<br/>equipment<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------|-------------------------------------|---------------------------------------------------------|---------------------------------|--------------------|
| <b>Cost</b>           |                                     |                                                         |                                 |                    |
| At 1 January 2007     | 196,814                             | 40,676                                                  | 69,800                          | 307,290            |
| Disposals             | (43,139)                            | (4,117)                                                 | -                               | (47,256)           |
| At 31 December 2007   | 153,675                             | 36,559                                                  | 69,800                          | 260,034            |
| <b>Depreciation</b>   |                                     |                                                         |                                 |                    |
| At 1 January 2007     | 93,845                              | 20,346                                                  | 40,559                          | 154,750            |
| On disposals          | (43,139)                            | (4,117)                                                 | -                               | (47,256)           |
| Charge for the year   | 42,920                              | 4,900                                                   | 7,310                           | 55,130             |
| At 31 December 2007   | 93,626                              | 21,129                                                  | 47,869                          | 162,624            |
| <b>Net book value</b> |                                     |                                                         |                                 |                    |
| At 31 December 2007   | 60,049                              | 15,430                                                  | 21,931                          | 97,410             |
| At 31 December 2006   | 102,969                             | 20,330                                                  | 29,241                          | 152,540            |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

|           |                                                       |             |             |
|-----------|-------------------------------------------------------|-------------|-------------|
| <b>8</b>  | <b>Work in progress</b>                               | <b>2007</b> | <b>2006</b> |
|           |                                                       | <b>£</b>    | <b>£</b>    |
|           | Work in progress                                      | 22,120      | 39,429      |
|           |                                                       |             |             |
| <b>9</b>  | <b>Debtors</b>                                        | <b>2007</b> | <b>2006</b> |
|           |                                                       | <b>£</b>    | <b>£</b>    |
|           | Trade debtors                                         | 216,845     | 249,326     |
|           | Client accounts                                       | 1,549,203   | 3,225,647   |
|           | Unbilled disbursements                                | 1,605,759   | 2,262,357   |
|           | Prepayments and accrued income                        | 77,382      | 67,199      |
|           |                                                       | 3,449,189   | 5,804,529   |
|           |                                                       |             |             |
| <b>10</b> | <b>Creditors: amounts falling due within one year</b> | <b>2007</b> | <b>2006</b> |
|           |                                                       | <b>£</b>    | <b>£</b>    |
|           | Bank loans and overdrafts                             | 191,145     | 1,629,781   |
|           | Trade creditors                                       | 15,974      | 19,568      |
|           | Client accounts                                       | 1,549,203   | 3,225,647   |
|           | Taxation and social security                          | 228,783     | 265,538     |
|           | Other creditors                                       | 56,475      | 240,316     |
|           | Accruals                                              | 172,945     | 190,817     |
|           |                                                       | 2,214,525   | 5,571,667   |

Bank loans of £191,145 (2006 - £1,629,781) are made up as follows:-

£nil (2006 - £1,487,592) which comprises many individual loan balances to fund initial disbursements and costs incurred in the set up of new cases. These loans are repayable on finalisation of each case and as it is not possible to ascertain how much will be repayable in the next year, the entire amount has been classified as due within one year.

£154,166 (2006 - £105,210) loan which is secured over Manor Park Chambers, which is owned jointly between D F Pinto and D S I Potts.

£36,979 (2006 - £36,979) which along with the bank overdraft, in the previous year is secured by a fixed and floating charge over the assets of the LLP along with insurance policies for D F Pinto and D S I Potts.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

| <b>11 Creditors: amounts falling due after more than one year</b> | <b>2007</b> | <b>2006</b> |
|-------------------------------------------------------------------|-------------|-------------|
|                                                                   | <b>£</b>    | <b>£</b>    |
| Bank loans                                                        | 1,969,655   | 836,745     |
| <b>Analysis of loans</b>                                          |             |             |
| Not wholly repayable within five years by instalments:            | -           | 886,486     |
| Not wholly repayable within five years other than by instalments: | 1,334,470   | -           |
| Wholly repayable within five years                                | 826,330     | 1,580,040   |
|                                                                   | 2,160,800   | 2,466,526   |
| Included in current liabilities                                   | (191,145)   | (1,629,781) |
|                                                                   | 1,969,655   | 836,745     |
| Instalments not due within five years                             | -           | 206,276     |
| <b>Loan maturity analysis</b>                                     |             |             |
| In more than one year but not more than two years                 | 172,655     | 180,729     |
| In more than two years but not more than five years               | 462,498     | 449,740     |
| In more than five years                                           | 1,334,502   | 206,276     |

The bank loans are secured by a debenture that holds a fixed and floating charge over the fixed assets of the LLP along with insurance policies for D F Pinto and D S I Potts, both designated members. There is also a legal charge held over Manor Park Chambers, which is owned jointly and personally by D F Pinto and D S I Potts.

There is a loan facility of up to £1,500,000. The loan is due for repayment within 10 years by instalments and interest was charged during the period at 6.75%.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**12 Members' interests**

|                                                                                                      | Members' other interests                |                |           | Loans                                 | Total       | 2006      |
|------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------|-----------|---------------------------------------|-------------|-----------|
|                                                                                                      | Members' capital (classified as equity) | Other reserves | Total     | and other debts due to/(from) members |             |           |
|                                                                                                      | £                                       | £              | £         | £                                     | £           | £         |
| Members' interests at 1 January 2007                                                                 | -                                       | -              | -         | 2,377,163                             | 2,377,163   | 2,594,135 |
| Members' Remuneration charged as an expense, including employment costs and retirement benefit costs | -                                       | -              | -         | 149,279                               | 149,279     | 178,690   |
| Profit for the financial year available for discretionary division among members                     | -                                       | 335,515        | 335,515   | -                                     | 335,515     | 361,233   |
| Members' interests after profit for the year                                                         | -                                       | 335,515        | 335,515   | 2,526,442                             | 2,861,957   | 3,134,058 |
| Other divisions of profits                                                                           | -                                       | (335,515)      | (335,515) | 335,515                               | -           | -         |
| Drawings                                                                                             | -                                       | -              | -         | (1,322,808)                           | (1,322,808) | (756,895) |
| Members' interests at 31 December 2007                                                               | -                                       | -              | -         | 1,539,149                             | 1,539,149   | 2,377,163 |
| Amounts due to members                                                                               |                                         |                |           | 1,539,149                             |             |           |
|                                                                                                      |                                         |                |           | 1,539,149                             |             |           |

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**13 Financial commitments**

At 31 December 2007 the limited liability partnership was committed to making the following payments under non-cancellable operating leases in the year 31 December 2008:

|                                | <b>Land and buildings</b> |                |               | <b>Other</b>  |
|--------------------------------|---------------------------|----------------|---------------|---------------|
|                                | <b>2007</b>               | <b>2006</b>    | <b>2007</b>   | <b>2006</b>   |
|                                | <b>£</b>                  | <b>£</b>       | <b>£</b>      | <b>£</b>      |
| Operating leases which expire: |                           |                |               |               |
| Within one year                | -                         | -              | 6,626         | -             |
| Between two and five years     | 40,000                    | 40,000         | 3,545         | 12,166        |
| In over five years             | 150,000                   | 150,000        | -             | -             |
|                                | <u>190,000</u>            | <u>190,000</u> | <u>10,171</u> | <u>12,166</u> |

**14 Information in relation to members**

|                                                | <b>2007</b>    | <b>2006</b>    |
|------------------------------------------------|----------------|----------------|
|                                                | <b>£</b>       | <b>£</b>       |
| Remuneration paid under an employment contract | 149,279        | 178,690        |
|                                                | <u>149,279</u> | <u>178,690</u> |

The remuneration above is that paid to the members under an employment contract. Remuneration representing a division of profit is included in the allocation of profit figures in note 12.

|                                                    | <b>2007</b>   | <b>2006</b>   |
|----------------------------------------------------|---------------|---------------|
|                                                    | <b>Number</b> | <b>Number</b> |
| The average number of members during the year was: | <u>5</u>      | <u>6</u>      |

|                                                                     | <b>2007</b>    | <b>2006</b>    |
|---------------------------------------------------------------------|----------------|----------------|
|                                                                     | <b>£</b>       | <b>£</b>       |
| The share of profit to the member with the largest entitlement was: | <u>142,627</u> | <u>152,786</u> |

The profit for the year is split equally between the designated members.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**15 Employees**

**Number of employees**

The average monthly number of employees during the year was:

|                       | 2007<br>Number | 2006<br>Number |
|-----------------------|----------------|----------------|
| Designated members    | 2              | 2              |
| Members               | 3              | 4              |
| Assistant solicitors  | 9              | 7              |
| Litigation assistants | 13             | 15             |
| Accounts and IT       | 4              | 4              |
| Administration        | 26             | 35             |
|                       | <u>57</u>      | <u>67</u>      |

**Employment costs**

|                       | £                | £                |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,758,023        | 1,815,956        |
| Social security costs | 209,302          | 203,097          |
|                       | <u>1,967,325</u> | <u>2,019,053</u> |

**16 Control**

The two designated members share equally the control of the business.

**17 Related party transactions**

Rent is paid to the two designated members for the use of the business premises, which is jointly owned by these members, at £150,000 (2006 - £150,000) per annum.

During the year £40,000 (2006 - £40,000) rent was paid to D F Pinto, designated member, for the Fleet business premises.

**18 Comparatives**

The comparatives have been restated as the Members are of the opinion that the amounts that had previously been shown as Members' capital (classified as equity) were actually amounts that should have been included within loans and other debts due to/from members.