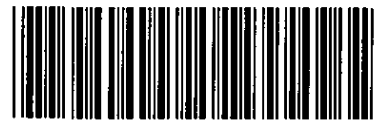


Limited Liability Partnership Registration No OC308202 (England and Wales)

VENNER SHIPLEY LLP
MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

WEDNESDAY



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COMPANIES HOUSE

VENNER SHIPLEY LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members

A J Venner
M C Read
T S Jump
S J Killin
J F Walaski
I M Grey
S V Gill
E S Harrison
P Piotrowicz
P Derry
A Elend

Limited liability partnership number

OC308202

Registered office

20 Little Britain
London
EC1A 7DH

Auditors

Goodman Jones LLP
29/30 Fitzroy Square
London
W1T 6LQ

Bankers

National Westminster Bank plc
Islington Angel Branch
3 Upper Street
Islington
London
N1 0PH

VENNER SHIPLEY LLP

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VENNER SHIPLEY LLP

MEMBERS' REPORT FOR THE YEAR ENDED 30 JUNE 2006

The members present their report and financial statements for the year ended 30 June 2006

Principal activities and review of the business

The principal activity of the business continued to be that of patent and trade mark attorneys

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 July 2005

A J Venner	
M C Read	
T S Jump	
S L Geary	(Resigned 30 April 2006)
S J Killin	
J F Walaski	
I M Grey	
S V Gill	
E S Harrison	(Appointed 4 July 2005)
P Piotrowicz	(Appointed 1 July 2006)
P Derry	(Appointed 1 July 2006)
A Elend	(Appointed 1 July 2006)

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".

Financial instruments

The LLP's financial instruments comprise borrowings, cash and liquid resources, and various net working capital items, such as trade debtors and trade creditors. The main purpose of these financial instruments is to fund that part of the LLP's operations not financed by way of members' interests.

It is the LLP's policy not to trade in financial or derivative instruments.

The main risks in providing funds for the LLP relate to interest rates and liquidity.

VENNER SHIPLEY LLP

MEMBERS' REPORT FOR THE YEAR ENDED 30 JUNE 2006

Statement of members' responsibilities

Company law (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001) requires the members' to prepare financial statements for each financial year which 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 to 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 Partnership 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

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 Goodman Jones LLP be reappointed as auditors of the limited liability partnership will be put to the Annual General Meeting

On behalf of the members

+ *Mattias Reuhl*

Date + *7th December 2006*

VENNER SHIPLEY LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VENNER SHIPLEY LLP

We have audited the financial statements of Venner Shipley LLP on pages 5 to 16 for the year ended 30 June 2006. These financial statements have been prepared under the historical cost convention and 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 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 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

As described in the statement of members' responsibilities on page 2, the limited liability partnership's members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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). 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.

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.

VENNER SHIPLEY LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VENNER SHIPLEY LLP

Opinion

In our opinion the financial statements give a true and fair view of the state of the limited liability partnership's affairs as at 30 June 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Limited Liability Partnerships Act 2000 and with the Statement of Recommended Practice, "Accounting by Limited Liability Partnerships", the information given in the Members' Report is consistent with the financial statements for the year ended 30 June 2006

Goodman Jones LLP



7 December 2006

Chartered Accountants

Registered Auditor

29/30 Fitzroy Square

London

W1T 6LQ

VENNER SHIPLEY LLP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 £	2005 £
Turnover	2	11,417,159	10,501,321
Cost of sales		(4,708,141)	(4,065,991)
Gross profit		6,709,018	6,435,330
Administrative expenses		(3,513,227)	(3,306,425)
Operating profit	3	3,195,791	3,128,905
Other interest receivable and similar income	4	11,420	2,538
Interest payable and similar charges	5	(5,657)	(23,786)
Profit on ordinary activities before taxation		3,201,554	3,107,657
Tax on profit on ordinary activities		-	-
Profit for the financial year before members' remuneration and profit shares		3,201,554	3,107,657
Members' remuneration charged as an expense		(3,102,443)	(3,057,806)
Result for the financial year available for discretionary division among members		99,111	49,851

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

VENNER SHIPLEY LLP

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2006

	2006 £	2005 £
Profit for the financial year	3,201,554	3,107,657
Provision for former members retirement benefits	(7,465)	-
Total recognised gains and losses relating to the year	<u>3,194,089</u>	<u>3,107,657</u>

VENNER SHIPLEY LLP

BALANCE SHEET AS AT 30 JUNE 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	6		612,980		697,055
Current assets					
Debtors	7	2,912,970		2,820,041	
Cash at bank and in hand		673,384		470,339	
		<u>3,586,354</u>		<u>3,290,380</u>	
Creditors amounts falling due within one year	8	<u>(1,887,448)</u>		<u>(1,488,099)</u>	
Net current assets			<u>1,698,906</u>		<u>1,802,281</u>
Total assets less current liabilities			<u>2,311,886</u>		<u>2,499,336</u>
Creditors amounts falling due after more than one year	9		(4,757)		(26,339)
Provisions for liabilities and charges	10		<u>(92,800)</u>		<u>(184,500)</u>
Net assets attributable to members			<u><u>2,214,329</u></u>		<u><u>2,288,497</u></u>
Represented by					
Members' capital classified as a liability under FRS25			813,004		890,000
Other reserves			(92,802)		(184,448)
Loans and other amounts due to members'			1,494,127		1,582,945
Total members' interests	12		<u><u>2,214,329</u></u>		<u><u>2,288,497</u></u>

The financial statements were approved by the Members on *7th December 2006*

M. R. Reed

VENNER SHIPLEY LLP

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
£	£	£
Net cash inflow from operating activities	3,730,021	3,057,302
Returns on investments and servicing of finance		
Interest received	11,420	2,538
Interest paid	(5,657)	(23,786)
Net cash inflow/(outflow) for returns on investments and servicing of finance	5,763	(21,248)
Capital expenditure		
Payments to acquire tangible assets	(69,873)	(57,871)
Net cash outflow for capital expenditure	(69,873)	(57,871)
Transactions with members and former members		
Payments to members	(3,341,896)	(2,719,439)
Contributions by members	73,639	206,721
Retirement benefits paid to former members	(110,000)	(117,047)
	(3,378,257)	(2,629,765)
Net cash inflow before management of liquid resources and financing	287,654	348,418
Financing		
Capital element of hire purchase contracts	(143,825)	(232,020)
Decrease in debt	(143,825)	(232,020)
Net cash outflow from financing	(143,825)	(232,020)
Increase in cash in the year	143,829	116,398

VENNER SHIPLEY LLP

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

1	Reconciliation of operating profit to net cash inflow from operating activities	2006		2005	
		£		£	
	Operating profit	3,195,791		3,128,905	
	Depreciation of tangible assets	153,947		144,367	
	Increase in debtors	(92,929)		(139,573)	
	Increase/(decrease) in creditors within one year	462,377		(35,444)	
	Decrease in pension provision	10,835		(40,953)	
	Net cash inflow from operating activities	3,730,021		3,057,302	
2	Analysis of net funds	1 July 2005		30 June 2006	
		£		£	
	Net cash				
	Cash at bank and in hand	470,339	203,045	-	673,384
	Bank overdrafts	-	(59,216)	-	(59,216)
		<u>470,339</u>	<u>143,829</u>	<u>-</u>	<u>614,168</u>
	Debt				
	Finance leases	(170,166)	143,826	-	(26,340)
	Net funds	300,173	287,655	-	587,828
3	Reconciliation of net cash flow to movement in net funds	2006		2005	
		£		£	
	Increase in cash in the year	143,829		116,398	
	Cash outflow from decrease in debt and lease financing	143,826		180,738	
	Movement in net funds in the year	287,655		297,136	
	Opening net funds	300,173		3,037	
	Closing net funds	587,828		300,173	

VENNER SHIPLEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements are prepared in accordance with the Statement of Recommended Practice, "Accounting by Limited Liability Partnerships"

The principal accounting policies are set out below. The policies have remained unchanged from the previous year, except in respect of the treatment of members' capital and members' remuneration charged as an expense in order to comply with the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships, issued in 2006. This has resulted in members' capital being treated as a liability and the automatic allocation of the majority of profits results in minimal unallocated profit shown in the profit and loss account. The comparative year's figures have been restated to follow the same accounting treatment.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 Tangible fixed assets and depreciation

Land and buildings Leasehold	Over the term of the lease
Plant and machinery	20% Straight Line
Fixtures, fittings & equipment	10% Straight Line
Motor vehicles	25% Straight Line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Pensions

The limited liability partnership operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.7 Provisions for retirement benefits and amounts due to former members

Amounts due to former members under annuity agreements are provided for under provisions for liabilities and charges. This is calculated as the present value of the expected liability for future payments, using expectation of life tables prepared by the Government Actuary's Department.

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.

VENNER SHIPLEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

3	Operating profit	2006	2005
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	153,947	144,367
	Operating lease rentals	428,701	426,592
	Auditors' remuneration	15,500	12,000
	and after crediting		
	Profit on foreign exchange transactions	(20,623)	(1,047)
4	Investment income	2006	2005
		£	£
	Bank interest	7,381	2,205
	Other interest	4,039	333
		11,420	2,538
5	Interest payable	2006	2005
		£	£
	On bank loans and overdrafts	150	5,049
	Hire purchase interest	5,507	18,737
		5,657	23,786

VENNER SHIPLEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

6 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2005	174,963	312,228	539,463	123,364	1,150,018
Additions	-	39,562	30,312	-	69,874
At 30 June 2006	174,963	351,790	569,775	123,364	1,219,892
Depreciation					
At 1 July 2005	48,151	161,148	145,208	98,456	452,963
Charge for the year	17,496	70,377	57,281	8,795	153,949
At 30 June 2006	65,647	231,525	202,489	107,251	606,912
Net book value					
At 30 June 2006	109,316	120,265	367,286	16,113	612,980
At 30 June 2005	126,812	151,080	394,255	24,908	697,055

Included above are assets held under finance leases or hire purchase contracts as follows

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Net book values				
At 30 June 2006	109,316	63,036	307,105	479,457
At 30 June 2005	126,812	109,176	357,934	593,922
Depreciation charge for the year				
30 June 2006	17,496	46,140	50,829	114,465
30 June 2005	17,496	46,140	50,829	114,465

VENNER SHIPLEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

7 Debtors	2006	2005
	£	£
Trade debtors	2,461,601	2,322,388
Unbilled revenue	209,593	219,431
Other debtors	18,659	44,979
Prepayments and accrued income	223,117	233,243
	<u>2,912,970</u>	<u>2,820,041</u>

8 Creditors amounts falling due within one year	2006	2005
	£	£
Bank loans and overdrafts	59,216	-
Net obligations under hire purchase contracts	21,583	143,827
Trade creditors	785,362	623,575
Taxes and social security costs	173,291	161,966
Other creditors	164,742	-
Accruals and deferred income	683,254	558,731
	<u>1,887,448</u>	<u>1,488,099</u>

Bank facilities are secured by a fixed and floating charge over the assets of the LLP

9 Creditors amounts falling due after more than one year	2006	2005
	£	£
Net obligations under hire purchase contracts	<u>4,757</u>	<u>26,339</u>
Net obligations under hire purchase contracts		
Repayable within one year	22,818	149,335
Repayable between one and five years	4,818	27,632
	<u>27,636</u>	<u>176,967</u>
Finance charges and interest allocated to future accounting periods	(1,294)	(6,801)
	<u>26,342</u>	<u>170,166</u>
Included in liabilities falling due within one year	(21,583)	(143,827)
	<u>4,759</u>	<u>26,339</u>

VENNER SHIPLEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

10 Provisions for liabilities and charges

	Pension obligations £
Balance at 1 July 2005	184,448
Profit and loss account	18,352
Annuities paid	(110,000)
Balance at 30 June 2006	<u>92,800</u>

11 Pension costs

Defined contribution

	2006 £	2005 £
Contributions payable by the limited liability partnership for the year	<u>76,794</u>	<u>77,730</u>

VENNER SHIPLEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

12 Members' interests

	Members' capital	Other reserves	Loans and other debts due to/(from) members	Total	2005
	£	£	£	£	£
Members' interests at 1 July 2005	890,000	(184,448)	1,582,945	2,288,497	1,693,558
Profit for the financial year available for division among members	-	3,201,554	-	3,201,554	3,107,657
Members' interests after profit for the year	890,000	3,017,106	1,582,945	5,490,051	4,801,215
Allocated profits	-	(3,102,443)	3,102,443	-	-
Retirement benefits due to former members	-	(7,465)	-	(7,465)	-
Capital introduced by members	73,639	-	-	73,639	206,721
Repayments of capital	(150,635)	-	-	(150,635)	-
Drawings	-	-	(3,191,261)	(3,191,261)	(2,719,439)
Members' interests at 30 June 2006	<u>813,004</u>	<u>(92,802)</u>	<u>1,494,127</u>	<u>2,214,329</u>	<u>2,288,497</u>
Amounts due to members			<u>1,494,127</u>		
			<u>1,494,127</u>		

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

13 Financial commitments

At 30 June 2006 the limited liability partnership had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2006	2005
	£	£
Expiry date		
In over five years	<u>360,000</u>	<u>360,000</u>

VENNER SHIPLEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

14 Information in relation to members

The average number of members during the year was

2006	2005
<u>9</u>	<u>8</u>

The share of profit to the member with the largest entitlement was

2006 £	2005 £
<u>675,729</u>	<u>692,897</u>

15 Employees

Number of employees

The average monthly number of employees during the year was

	2006 Number	2005 Number
Fee Earners	22	23
Senior Management	1	1
Secretarial	16	15
Administration	8	8
	<u>47</u>	<u>47</u>

Employment costs

	£	£
Wages and salaries	1,884,754	1,788,385
Social security costs	195,280	188,731
Other pension costs	87,681	36,777
	<u>2,167,715</u>	<u>2,013,893</u>

16 Control

The LLP is under the control of the members